OREGON LABOR TRENDS

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section
November 1982

OCTOBER INDICATORS

UNEMPLOYMENT RATE

	S.A.	Actual
Oregon		
Oct. '82	11.5	10.3
Sep. '82	11.2	10.1
U.S.		
Oct. '82	10.4	9.9
Sep. '82	10.1	9.7

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1972=100
Oct. 1982:	123.9
Sep. 1982:	123.8
Oct. 1981:	130.1
Oct. 1980:	133.7
Oct. 1979:	137.9

DIFFUSION INDEX

Oregon	
Oct. 1982:	40.7
Sep. 1982:	37.2
Aug. 1982:	35.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Sep. 1982:	39.1
Aug. 1982:	38.0
Sep. 1981:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Sep. 1982	288.2
Year Change	- 1.0%
U.S.	
Oct. 1982	294.1
Year Change	5.1%

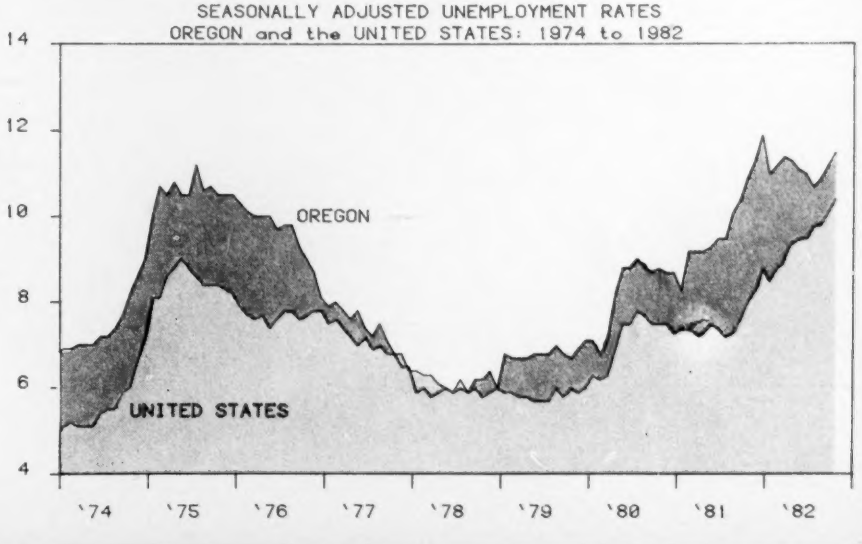
NO TURN AROUND YET

"When will economic recovery begin?" is perhaps today's most frequently asked question now that the elections are over. Economists are often called upon to make that prediction. But predicting the precise date of recovery remains an elusive effort despite all the analytical tools available. What economists can do and do with a high level of precision is tell the current status of the economy and provide some insight as to the direction the economy is heading.

Economic statistics for the U.S. and for Oregon were discouraging in October, a continuation of the poor performance evident for the last couple of years. Basically, the least desirable of possible trends took place - unemployment counts went up, while the employed numbers went down.

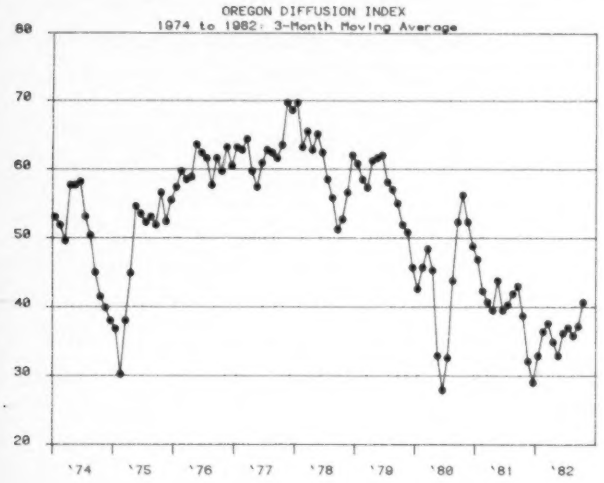
The nation's unemployment rate, after adjustment for normal seasonal variation, climbed to 10.4% in October from 10.1% in September. The number of unemployed workers in the U.S. is pushing 11 million or about four times the population of Oregon!

The seasonally adjusted rate of unemployment in Oregon returned to the 1982 high of 11.5% in October, up .3 from September's 11.2%. Unadjusted, the rate was also disappointing, moving to 10.3% from 10.1%. In the equation used to produce the rate of unemployment, the numerator (a count of the unemployed) climbed 3,000 over the month, while the denominator (the civilian



labor force - both employed and unemployed) went down by 5,300. Though a lesser figure, the change in the number of unemployed had the greatest adverse impact on the rate since the numerator is small relative to the denominator. The numbers are a reflection of further job cutbacks in the manufacturing and construction industries, plus a reduction in the number of seasonal jobs available to farm workers.

Disappointment in other October statistics was not fully evident at first glance. For example, the nonagricultural wage and salary employment index showed an increase. The .1 gain, even though slight, was the first rise reported in the index in 1982. Likewise, the diffusion index, a lead economic indicator, using changes in seasonally adjusted employment, showed a gain in October.



Unfortunately, any real signs of economic strength were missing in the October numbers. Rather the influence of the prolonged recession gave economic observers a mild miscue. It is in the summer months that a surge of hiring usually takes place as good weather permits outdoor activity and because of the availability of student workers. And it is in the Fall that high employment and good weather are reversed. But in 1982 the summer employment build up was mild at best, promoting smaller layoffs in the Fall. Furthermore, since employment levels in general have been reduced to those existing five years ago, employers have already chopped any surplus labor to the bone. When the numbers relating to these employment changes were seasonally adjusted, the result produced the false ray of hope in our economic indicators.

A look at selected industry employment numbers tells the story. In the important goods producing (manufacturing) industries employment dropped 5,600 over the month, about 500 more than would be expected for the time of year. Most damaging was the reduction of 2,000 workers in the durable goods sector excluding lumber and wood products. The big loser was primary metals (-600) followed by machinery (-400). Production activity and consequently employment in these areas have been reduced to compensate for the overall weakness in the economy.

Also hard hit in October was Oregon's construction industry which dropped 2,600 workers over the month. Assuming normal seasonal conditions, just 700 workers should normally be put out of work in October. Looking back three years to more normal times when Oregon was creeping to the edge of the recession, construction employment was 57,900 and made up 5.3% of the nonfarm total. By October 1982 the construction share of the total fell to 30,500 workers representing just 3.1% of the total. The table below shows the construction industry has both lost more employment and has shown a greater percentage reduction than any other major industry.

	October 1982	October 1979	No. Change	Pct. Change
Lumber & Wood Prod.	57,700	82,900	-25,200	-30.4%
Other Durables	75,000	93,700	-18,700	-20.0
Food & Kindred Prod.	29,200	29,900	- 700	- 2.3
Other Nondurables	30,300	31,900	- 1,600	- 5.0
Mining	2,400	2,600	- 200	- 7.7
Construction	30,500	57,900	-27,400	-47.3
Trans., Comm., Util.	56,600	61,800	- 5,200	- 8.4
Trade	245,400	261,800	-16,400	- 6.3
Fin., Ins., Real Est.	64,000	69,900	- 5,900	- 8.4
Services	185,200	191,100	- 5,900	- 3.1
Government	197,500	203,700	- 6,200	- 3.0

In services, employment dipped 1,300 in October or about twice the number expected. Health services workers in particular, are now feeling the brunt of the recession for several reasons. First, soaring medical costs have forced many people out of the market, unable to afford the cost of the medical and dental care. Second, a faltering economy has reduced the number of people who are eligible for medical coverage via their employer. And, finally, uncertainty about the future has prompted many people to forego the discretionary use of medical services. Together these factors equate to reduced employment in health services following years of steady growth.

Not everything was doom and gloom in October, it's just that the good news was overshadowed and there was less good news than bad news. Take a look at nondurable goods manufacturing, for example. The whole sector is down just 100 workers from a year earlier - not a bad showing when total wage and salary employment has shown a drop approaching 50,000. Mild encouragement can be felt, too, from the strength (or better lack of reduction) noted in the food processing sector in October. A longer harvest season for corn and earlier processing of squash contributed to a seasonally adjusted increase of 200 over the month and a gain of 900 from a year earlier. In paper and allied products a glut of newsprint remains a concern, but at least one plant resumed operations in October putting about 300 employes back to work.

What was happening in the Oregon lumber and wood products industry in October? Nothing too unusual. Employment went down 1,600 due largely to a scaling back of logging operations with the approach of winter.

Earlier it was said an economist can provide information on the current status of the economy and provide information as to the direction the economy is heading. Probably 90% of this article has been devoted to current economic conditions with the remainder devoted to the future, an appropriate distribution considering the hazards inherent in forecasting.

With winter approaching, any chance for economic improvement in the near future is bleak in a state still largely dependent on lumber, construction, agriculture, and other outdoor activities. Nevertheless, empirically evident rays of hope bode well for the future. Despite continuing high joblessness, a couple of factors critical to the health of Oregon's economy are coming into line - interest rates have been reduced to near reasonable levels and national housing starts are picking up. Given a continuation of these trends, Oregon will see the momentum for recovery begin to build in the Spring of 1983.□

NEW RELEASES

CAREER GUIDE

The 1982-83 updated edition of CAREERS 1982: A Guide to Careers in Oregon is now available. The handy newspaper format provides information on over 250 occupations in Oregon, including job descriptions, number of people employed, average wages, employment outlook for the near future, training requirements and schools that offer training. In addition, 26 new articles discuss labor market trends, training and education programs, and job hunting techniques. Thirty thousand copies of this year's edition are being sent to high schools, community colleges, and Employment and Training agency counseling centers.

Are you involved in career counseling, planning or even job hunting for yourself? Limited copies are available by contacting:

Employment Division - R&S
875 Union Street NE
Salem, OR 97311
ATTN: David Allen
Phone: (503) 378-6400
Toll-free: 800-452-7813

FROM THE OREGON ECONOMIC DEVELOPMENT DEPARTMENT

Oregon Directories:

Directory of Oregon Manufacturers, 1982-83. Contains information on more than 5,000 manufacturing firms indexed alphabetically, geographically, and by Standard Industrial Classification code. Oregon products also are listed alphabetically. Price $40.00.

Oregon International Trade Directory, 1981-1982. Lists more than 900 Oregon firms engaged in international trade, cross-referenced by name, city, SIC code, and country of international activity. A Support Services section lists companies, agencies, and associations providing international services. Price $10.00.

To order, send check or money order payable to the State of Oregon to Economic Development Dept., 155 Cottage Street, N.E., Salem, OR 97310

1979 INCOME AND POVERTY CHARACTERISTICS CITIES AND COUNTIES OF OREGON

This new release of the Bureau of Governmental Research and Service provides important income and poverty information from the 1980 U.S. Census for Oregon, its 36 counties and its 136 cities with a population of 1,000 or more.

The report presents detailed data on household and family income, per capita income, and incomes below poverty level. A summary analysis considers recent trends in income and poverty levels in Oregon as well as changes in the historical composition and geographic distribution of income and poverty. The text and statistics provide a basis for comparative studies of economic conditions among Oregon's cities and counties and for other types of local area social and economic analysis.

Single copies are available for $6.00 prepaid; discounts available for multiple copies.

Bureau of Governmental Research and Service
P.O. Box 3177
Eugene, OR 97403
Phone (503) 686-5232

MORE FROM THE 1980 CENSUS

Income and poverty characteristics, school enrollment and education levels, and other population and household information is now available for Oregon from the 1980 U.S. Census on Summary Tape File 3A. This is the first source of 1980 Census information summarized for counties, cities, and smaller geographic areas.

Data from this source may be obtained free or on a cost-reimbursable basis from:

Bureau of Governmental Research and Service
P.O. Box 3177
Eugene, OR 97403
Phone: (503) 686-5232.

RESIDENT OREGON LABOR FORCE

	Oct. 1982 1/	Sept. 1982 2/	Change	% Change	Oct. 1981 5/
Civilian Labor Force 3/	1,305,100	1,310,400	-5,300	-0.4	1,335,600
Unemployment	134,700	131,700	3,000	2.3	127,800
Percent of Labor Force	10.3	10.1	xxx	xxx	9.6
Seasonally Adjusted Percent	11.5	11.2	xxx	xxx	10.9
Total Employment 4/	1,170,400	1,178,700	-8,300	-0.7	1,207,800

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1981 and January 1982, data for 1982 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Oct. 1982 1/	Sept. 1982 2/	Oct. 1981	Change From Sept. 1982	Change From Oct. 1981
TOTAL 3/	973,800	975,300	1,023,000	-1,500	-49,200
Wage & Salary Employment Index 4/	123.9	123.8	130.1	xxx	xxx
Diffusion Index 5/	40.7	37.2	38.7	xxx	xxx
Total Manufacturing	192,200	197,800	204,900	-5,600	-12,700
Durable Goods	132,700	136,300	145,300	-3,600	-12,600
Lumber & Wood Products	57,700	59,300	60,800	-1,600	- 3,100
Logging & Sawmills	29,700	30,800	32,200	-1,100	- 2,500
Veneer & Plywood	17,400	17,700	17,100	- 300	300
Millwork & Structural Wood	5,700	6,000	6,000	- 300	- 300
Mobile Homes	1,600	1,500	1,900	100	- 300
Other Wood Products	3,300	3,300	3,600	0	- 300
Furniture & Fixtures	2,200	2,200	2,500	0	- 300
Stone, Clay, Glass, & Concrete	3,800	3,900	4,100	- 100	- 300
Primary Metals	6,800	7,400	9,900	- 600	- 3,100
Blast Furnaces, Iron & Steel	3,800	4,100	5,500	- 300	- 1,700
Nonferrous Metals	3,000	3,300	4,400	- 300	- 1,400
Fabricated Metals	9,500	9,700	11,400	- 200	- 1,900
Fabricated Structural Metals	3,900	4,000	4,400	- 100	- 500
Other Fabricated Metals	5,600	5,700	7,000	- 100	- 1,400
Machinery	15,700	16,100	18,100	- 400	- 2,400
Electrical Equipment & Supplies	10,200	10,300	9,500	- 100	700
Transportation Equipment	8,100	8,200	9,000	- 100	- 900
Instruments & Related Products	16,400	16,800	17,400	- 400	- 1,000
Miscellaneous Manufacturing	2,300	2,400	2,600	- 100	- 300
Nondurable Goods	59,500	61,500	59,600	-2,000	- 100
Food & Kindred Products	29,200	31,400	28,700	-2,200	500
Canning & Preserving	18,400	20,900	17,500	-2,500	900
Other Food Products	10,800	10,500	11,200	300	- 400
Textile Mill Products	1,900	1,900	1,900	0	0
Apparel	2,900	3,000	2,900	- 100	0
Paper & Allied Products	9,800	9,600	10,200	200	- 400
Printing & Publishing	10,400	10,300	10,400	100	0
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	500	500	500	0	0
Rubber & Plastic Products	2,400	2,400	2,500	0	- 100
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Oct. 1982	Sept. 1982	Oct. 1981	Change From Sept. 1982	Change From Oct. 1981
(cont.)					
Total Nonmanufacturing	781,600	777,500	818,100	4,100	-36,500
Mining & Quarrying	2,400	2,600	2,500	- 200	- 100
Construction	30,500	33,100	37,400	-2,600	- 6,900
Transportation, Communications, & Utilities	56,600	56,500	60,100	100	- 3,500
Transportation	32,200	32,000	34,700	200	- 2,500
Railroad	5,800	5,900	6,700	- 100	- 900
Trucking & Warehousing	16,300	15,900	17,500	400	- 1,200
Other Transportation	10,100	10,200	10,500	- 100	- 400
Communications	15,400	15,500	16,300	- 100	- 900
Utilities	9,000	9,000	9,100	0	- 100
Trade	245,400	246,800	254,900	-1,400	- 9,500
Wholesale Trade	62,000	62,600	68,500	- 600	- 6,500
Durable Goods	35,200	35,700	40,400	- 500	- 5,200
Nondurable Goods	26,800	26,900	28,100	- 100	- 1,300
Retail Trade	183,400	184,200	186,400	- 800	- 3,000
General Merchandise	24,300	23,600	24,400	700	- 100
Food Stores	25,900	26,000	27,200	- 100	- 1,300
Auto Dealers & Service Stations	22,000	22,100	23,000	- 100	- 1,000
Other Retail Trade	111,200	112,500	111,800	-1,300	- 600
Finance, Insurance, & Real Estate	64,000	64,200	67,200	- 200	- 3,200
Banking & Credit Agencies	23,300	23,500	25,300	- 200	- 2,000
Other Finance, Insurance, & Real Estate	40,700	40,700	41,900	0	- 1,200
Services	185,200	186,500	191,600	-1,300	- 6,400
Hotels & Personal Services	22,600	23,200	24,300	- 600	- 1,700
Health Services	62,900	63,800	65,000	- 900	- 2,100
Other Services	99,700	99,500	102,300	200	- 2,600
Government	197,500	187,800	204,400	9,700	- 6,900
Federal Government	30,400	30,600	30,100	- 200	300
State Government	52,300	48,900	53,000	3,400	- 700
Education	22,600	18,000	23,100	4,600	- 500
Other State	29,700	30,900	29,900	-1,200	- 200
Local Government	114,800	108,300	121,300	6,500	- 6,500
Education	71,800	64,000	75,800	7,800	- 4,000
Other Local	43,000	44,300	45,500	-1,300	- 2,500
Labor-Management Disputes	100	0	100	100	0

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ The employment index is a measure of change from the base year (1972 = 100) of seasonally adjusted employment.

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS AND EARNINGS – GROSS EARNINGS VS. CONSUMER SPENDING

Most ecomonic observers are pretty much in agreement that we are at, or very near the bottom of the current economic cycle. While government and private business work to turn things around, the search is on for positive indications of a turnaround to one of the most depressing of recessions. There are a host of indicators that are being closely monitored, but as yet no clear direction has emerged. Reduced inflation, lower interest rates, and a small upturn in construction starts provide for some optimism; however, there are still many indications that Oregon's economy is not out of the woods yet. For those who have suffered through the past year with little or no work to tide them through the coming winter, optimism will remain in short supply.

Looking at Gross Earnings

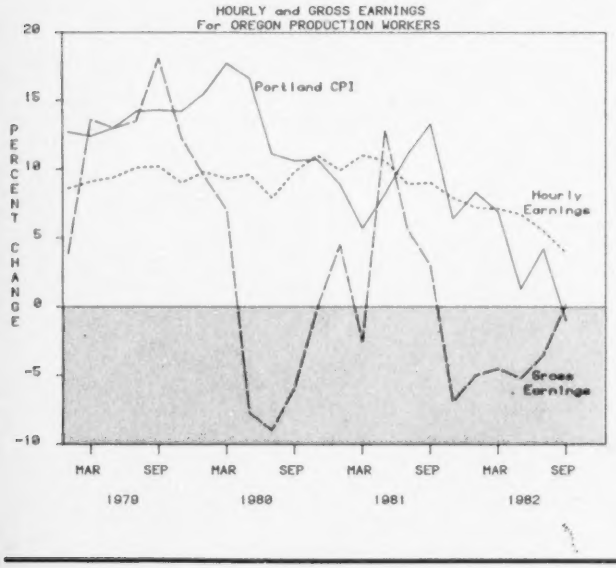
One discouraging insight into the relative health of Oregon's economy is provided by looking at Gross Earnings for production workers in manufacturing, where Gross Earnings = Average Hourly Earnings x Average Weekly Hours x Production Workers. A comparison of gross earnings with the Portland Consumer Price Index with changes in average hourly earnings for total manufacturing provides an insight into the level of earnings flowing through Oregon's economy. Even though manufacturing comprises only 20% of Oregon's total nonagricultural employment, it offers a look at the well-being and direction of the rest of the economy.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sept.2/ 1982	Aug.3/ 1982	Sept. 1981	Sept.2/ 1982	Aug.3/ 1982	Sept. 1981	Sept.2/ 1982	Aug.3/ 1982	Sept. 1981
TOTAL MANUFACTURING 4/	$395.30	$378.48	$361.96	39.1	38.0	37.2	$10.11	$9.96	$9.73
Durable Goods	420.03	402.74	372.00	39.7	38.8	37.2	10.58	10.38	10.00
Lumber & Wood Products	441.98	418.56	357.41	40.4	38.9	34.3	10.94	10.76	10.42
Logging & Sawmills	480.11	454.46	377.74	41.0	39.9	34.0	11.71	11.39	11.11
Veneer & Plywood	435.78	420.42	349.10	40.5	39.0	33.6	10.76	10.78	10.39
Millwork & Struct Wood	323.20	298.72	300.03	38.8	37.2	36.5	8.33	8.03	8.22
Mobile Homes	299.12	222.08	265.53	38.3	27.9	33.4	7.81	7.96	7.95
Other Wood Products	394.60	380.09	361.12	38.8	37.3	37.0	10.17	10.19	9.76
Furniture & Fixtures	249.00	241.58	232.10	33.2	33.6	33.3	7.50	7.19	6.97
Primary Metals	478.63	478.14	493.95	39.2	39.0	41.3	12.21	12.26	11.96
Fabricated Metals	374.36	363.07	345.71	37.7	36.6	37.7	9.93	9.92	9.17
Machinery	399.62	383.82	383.23	37.7	37.3	38.4	10.60	10.29	9.98
Nondurable Goods	340.05	323.99	335.92	37.7	36.2	37.2	9.02	8.95	9.03
Food & Kindred Prod	287.23	265.54	281.34	37.4	35.5	35.3	7.68	7.48	7.97
Canning & Preserving	245.22	214.83	234.26	36.6	34.1	34.0	6.70	6.30	6.89
Other Food Products	399.74	401.65	389.76	39.5	39.3	38.4	10.12	10.22	10.15
Textile Mill Products	196.84	202.99	197.46	37.0	38.3	37.9	5.32	5.30	5.21
Apparel	186.18	176.69	173.72	34.8	33.4	34.4	5.35	5.29	5.05
Paper & Allied Products	530.79	497.17	530.72	41.5	38.6	44.9	12.79	12.88	11.82
Printing & Publishing	386.83	392.63	372.38	34.6	34.9	35.6	11.18	11.25	10.46
Construction 4/	535.00	550.86	507.09	33.5	34.3	33.1	15.97	16.06	15.32
Communications & Utilities 5/	438.31	447.63	412.24	39.1	39.3	39.6	11.21	11.39	10.41
Trade 5/	286.41	285.86	278.95	34.3	34.4	35.0	8.35	8.31	7.97
Wholesale Trade	377.88	381.76	358.91	37.6	38.1	37.9	10.05	10.02	9.47
Retail Trade	235.95	233.93	232.77	32.5	32.4	33.3	7.26	7.22	6.99
Banking & Insurance	246.96	247.87	228.64						
State & Local Government	319.17	327.85	304.26						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Despite a dramatic slowdown of inflation, gross earnings have failed to keep abreast since 1979. With fewer people working, gross earnings have been on the decline despite rising average hourly earnings. An increasing proportion of higher paid workers has boosted average hourly earnings more than what might be expected and has also softened the drop in gross earnings as the number of production workers fell. It should also be noted that average weekly hours have remained reasonably stable, with the average percent change dropping a modest 2.1% since 1979. The following is a comparison of what has happened to gross earnings in relation to the Portland CPI and the average hourly earnings component from January 1979 to present. Alternating months have been used to coincide with the availability of Portland area CPI data.



Monthly changes in Hours and Earnings

September weekly hours and earnings for the durable goods sector registered advances over August levels. In Lumber & Wood Products, those still working saw average hourly earnings gain $.18 over the preceding month. Good news also came in the form of a 1.4 increase in weekly hours and a stable number of production workers. However, with little or no backlog of orders for many operators, production schedules will remain shakey at best for some months to come. Logging & Sawmill operations posted the largest gain in hourly earnings, climbing $.32.

Increases in overtime paid by several operators provided the basis for the improvement. Perhaps the biggest turnaround came in Mobile Home manufacturing, where hours rose 10.4 while hourly earnings fell $.15. It is expected that this particular sector will continue to report wide swings until improved product demand returns on the heels of lower finance costs to consumers. Machinery production worker employment fell by over 300 resulting in a larger proportion of higher paid workers which in turn pushed average hourly earnings up by $.31.

Good news prevailed in Canning & Preserving. Weekly hours jumped 2.5 while hourly earnings rose $.40. Revised total employment for September climbed 1,000 over the August level. Production worker employment accounted for 700 of that total. Elsewhere, in Other Food Products, a resumption in production activities by a meat processing firm accounted for a 200+ gain in production workers. The improvement is not expected to continue as production activity reportedly will fall off and remain sporadic through the winter. Average weekly hours for Textile Products fell 1.3 as producers attempted to bring production schedules more in line with current orders.

An over supply of newsprint is having an impact on Paper & Allied Products resulting in a 300 decline in production worker employment. While this would seem to run counter with the 2.9 increase in weekly hours reported, the upswing was due to a major operator working through a holiday. The upturn is an expected occurrence and due primarily to the scheduling of production activities by a single firm.

Construction experienced a mild revival of sorts as construction starts rose a seasonally adjusted 4% for September. The increased activity was also reflected in the 1,100 employment increase of production workers. The improvement stems in part from HUD allocations for multifamily projects as well as nonresidential building. A single firm accounted for much of the increase in nonresidential construction. This influx of workers has resulted in a downward pressure on average hourly earnings ($.09) and weekly hours (.8).

In looking at hours and earnings for Trade, the first impression is that very little happened over the month. Reflecting on the general well being of manufacturing mentioned earlier, effects are evident in the Trade sector as well. Gross earnings have fallen 3.2% over the past year as a result of declining employment. Though weekly hours fell .1, the average August to September decline has been .5 hours over the last 10 years. As such, the drop in earnings could well have been steeper had the drop in weekly hours followed previous years trend.

A clear direction for the economy is hard to detect from month to month changes. Since January 1979, gross earnings have exceeded changes in the Portland CPI only three times. While consumer spending is a derivative of gross earnings, manufacturing activity determines the level of earnings available for such spending. One note of optimism drawn from this comparison is that in the last six months the percent changes for Gross Earnings, Portland CPI and Average Hourly Earnings have moved closer. Whether this is to say that conditions are improving is for time to tell.□

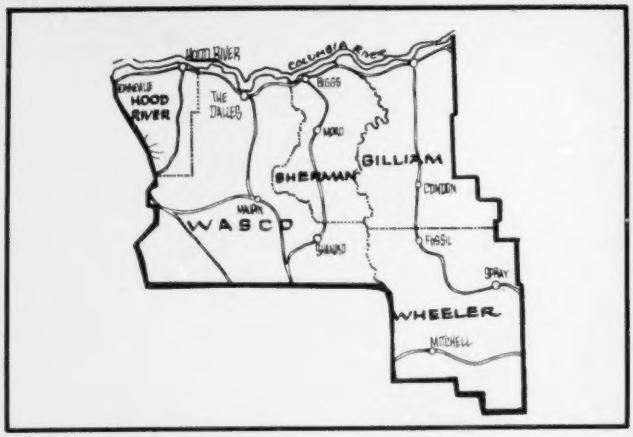
MID-COLUMBIA REGION PROFILE

This region, bordering the Columbia River, is comprised of five counties with a 1981 population of 43,800. In this relatively sparsely populated area, 1.6% of Oregon's population occupies nearly 7% of the state's total land area. Its major population center, The Dalles on the Columbia River, had 11,315 residents in 1981. The entirety of these rural counties lies within four hours driving time to the City of Portland. An unemployment rate of 9.9% during 1981 was identical with the state rate.

Wasco and Hood River counties have experienced extensive economic diversification over the past two decades. This area is a leading producer of apples, pears and cherries, the harvesting and processing of fruit is a major industry. While remaining a basic element of the economy, lumber and wood products has been of diminishing importance. Manufacturing has expanded to include not only food processing but aluminum reduction (Martin-Marietta), clothing (Jantzen), sporting goods (Luhr-Jensen), Nicholas Boats, Hood River Distillers and several other varied firms.

The port districts of Hood River and The Dalles have led the way in promoting industrial diversification and providing plant sites. Road, rail and water transport are of growing importance as the Columbia River serves as a funnel for east-west commerce. The Dalles, John Day and Bonneville dams have boosted federal employment as well as providing power for industrial development. Travel-oriented business, such as restaurants and motels, has grown as commercial and tourist traffic has grown. Recessionary effects have expanded from lumber and wood products to include building construction, transportation, fruit canning and, most recently, cutbacks in aluminum production.

Interestingly, the most significant employment boost during the past year in Wasco County has occurred at Rajneesh-puram. This community, established by the disciples of Bhagwan Shree Rajneesh,



on the former 64,000 acre Big Muddy Ranch, now exceeds 500 persons. The group is in the process of investing as much as $35 million in an effort to establish a largely self-sufficient religious community ultimately providing residence for up to 5,000 persons. The effort has generated extensive controversy in this rugged, sparsely populated region bordering the John Day River.

The recent announcement by Diamond Fruit Growers of its closure of their Hood River Cannery will have an adverse effect on the Hood River economy. The plant afforded roughly 400 jobs during periods of peak operation. The company's fresh fruit processing facility will remain in operation however.

The economy of Sherman, Gilliam and Wheeler counties is largely centered on dry land grain and livestock production. Expansion of travel-oriented business has grown to serve travelers along the freeway bordering the Columbia River. Over the 1970-80 period, Wheeler and Gilliam counties led Oregon in percentage of population decline with losses of 18.2% and 12.2% respectively. Several years ago Wheeler County's major employer, the Kinzua Sawmill, closed its doors. The subsequent outmigration of the mill's workers has left a largely agricultural economy.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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OREGON LABOR TRENDS

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section
DECEMBER 1982

NOVEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Actual
Nov. '82	12.5	11.9
Oct. '82	11.5	10.4
U.S.		
Nov. '82	10.8	10.4
Oct. '82	10.4	9.9

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1972=100
Nov. 1982:	123.3
Oct. 1982:	123.8
Nov. 1981:	129.0
Nov. 1980:	133.9
Nov. 1979:	138.7

DIFFUSION INDEX

Oregon	
Nov. 1982:	44.2
Oct. 1982:	40.3
Sep. 1982:	37.2
Aug. 1982:	35.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Oct. 1982:	37.6
Sep. 1982:	38.8
Oct. 1981:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Nov. 1982	285.6
Year Change	2.5%
U.S.	
Nov. 1982	293.2
Year Change	4.6%

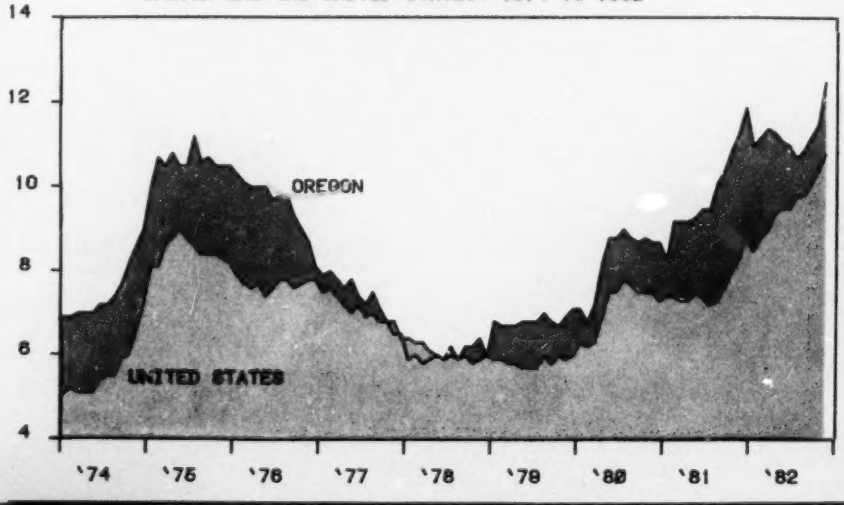
THE ECONOMY — YEAR IN REVIEW

Oregon's economic performance went from bad to worse between 1981 and 1982. .Not only would 150,000 unemployed Oregonians like to put this year behind them, but so also would scores of others who were working shortened workweeks or at jobs below their educational or skill level.

As in 1981 when new political leadership and economic policies were emerging to deal with the country's recession, there was a general air of optimism earlier this year that finally there was some light at the end of this long recessionary tunnel. The concensus forecast generally called for a national recovery to begin last spring or summer, fueled largely by an increase in consumer spending. Considering record income tax refunds, the second installment of President Reagan's tax cuts scheduled for July, and slowing inflation rates, this seemed a very likely scenario.

As the year progressed, it became more evident that the economic recovery was still hibernating. Not only did unemployment soar to record or near-record highs in both the U.S. and Oregon, but many other economic indicators also hit the skids. Nationally, for example, negative trends predominated for the federal budget (the deficit reached an all-time high), balance of trade (strong dollar hurts U.S. exports while encouraging foreign imports), plant and equipment spending, industrial production (U.S. factories operated at only 68% of capacity during the first 10

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON and the UNITED STATES: 1974 to 1982



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months of 1982 - the lowest level since these records began in 1948), business failures and bankruptcies, final sales and net farm income to name just a few.

Although signs of economic recovery have been few and far between, there have been some positive developments in 1982. High interest rates, which have been the nemesis of virtually everyone were quite stable during the first half of this year. By July these began to plummet due to a sharp reduction in private credit demands reflecting the sickly state of the economy. Equally significant was an apparent loosening of tight money policies by the Federal Reserve. The FED has been encouraging the drop in interest rates since July by lowering its discount rate in seven successive steps from 12% last summer to 8½% in mid-December. It has also allowed the money supply to temporarily grow somewhat faster, presumably to stimulate recovery.

Another bright spot in 1982 has been the dramatic improvement in inflation, both at the retail and wholesale levels. Wholesale prices will probably only rise about 4% this year and consumer price increases have settled back to a very modest 5 to 6% range. Perhaps more important is the widespread belief now that inflation in the next few years will remain in the 5 to 7% range.

There were other auspicious signs also. The Commerce Department's index of leading indicators has risen in six of the last seven months. And the stock market, which is often said to have predicted something like 10 of the last 7 economic recoveries, has staged a dramatic rally and soared to new record heights since late last summer.

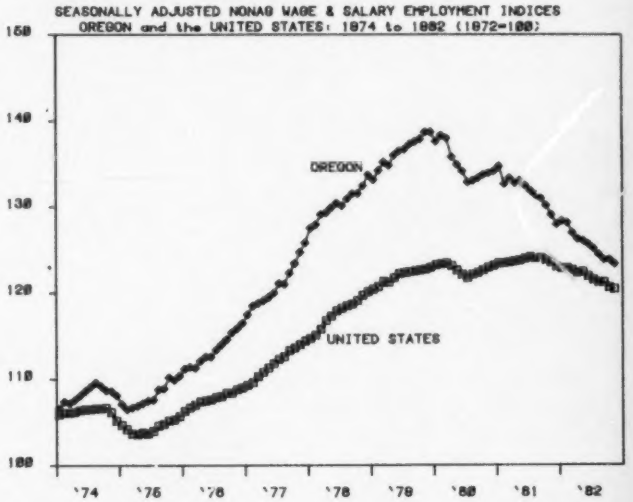
As encouraging as these trends are for an economic recovery that must be just around the corner in 1983, the fact remains that Oregon's economy staggered through its third straight year of recession in 1982. This is clearly shown by the accompanying graphs which chart the seasonally adjusted unemployment rate, wage and salary employment index, and the new Diffusion Index.

Oregon's seasonally adjusted jobless rate began the year at 11.0%, increased to 11.5% in March, then slowly receded to 10.7% in July. But since July the rate has been rising each month culminating in November's full point jump to an all-time high of 12.5%. With only one more month to go in 1982 it looks like unemployment will average about 11.5% this year - the highest since records began in 1947.

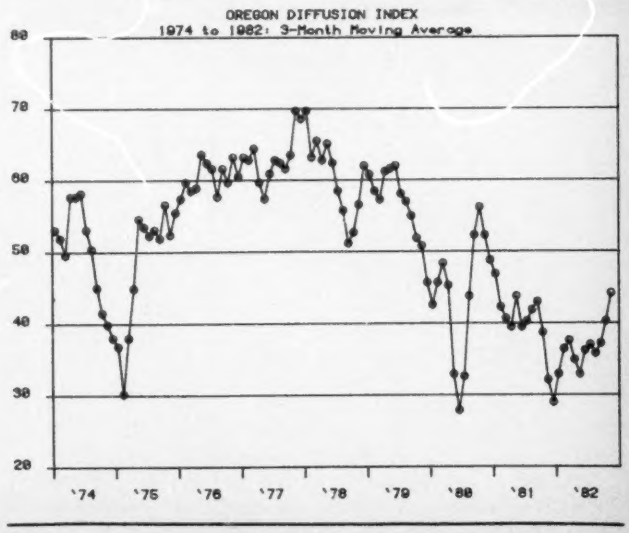
(x1000)	1982 (proj)	1981	1980	1979
Civ. Labor Force	1,310.0	1,330.0	1,295.0	1,217.0
Unemployment	150.2	131.0	107.0	83.0
Unemp. Rate (Ore.)	11.5	9.9	8.3	6.8
Unemp. Rate (U.S.)	9.7	7.6	7.1	5.8

In addition to the jobless rate, the number of unemployed is also expected to hit a record peak in 1982 averaging about 150,000 Oregonians. Based on this level of unemployment which is a monthly average, it is estimated that about one out of every four workers will have experienced at least one spell of unemployment during 1982.

The table above also points out a new phenomena. The labor force actually declined in 1982 by about 20,000 persons, reflecting net out-migration of Oregon residents to other states and also an increase in the number of "discouraged workers." Discouraged workers are those who have dropped out of the labor market because they believe no jobs are available. Even in the deep 1974-75 recession, Oregon's labor force continued to grow, though at a slower pace.



Oregon's seasonally adjusted wage and salary employment index paints an even grimmer picture of 1982. Since peaking at 138.7 in late 1979, this reliable coincident indicator has declined virtually nonstop except during the second half of 1980 when lower interest rates temporarily induced a rebound in housing activity. In January 1982 the employment index was 128.3. It has dropped every month except October and stood at 123.3 in November-the lowest level in more than five years!



Oregon's diffusion index which measures the percentage of some 43 industries showing an increase in seasonally adjusted employment each month, shows a recessionary level well under 50% all year but the trend has been up during most of these months. This index, a leading indicator, began the year at just under 30% and proceeded in fits and starts to reach 44.2% in November - the highest level in over a year.

Still another perspective on Oregon's 1982 economic performance is shown below by the change in employment in each major industry between this November and the same month one and three years ago.

	November 1982	Change from Nov. 1981 Number	Percent	Change from Nov. 1979 Number	Percent
W & S Empl.	964,200	-44,700	- 4.4	-120,500	-11.1
Manufacturing	186,500	-10,100	- 5.1	- 45,700	-19.7
Lumber & Wood	57,500	+ 800	+ 1.4	- 22,700	-28.3
Other Durables	73,500	- 9,800	-11.8	- 20,400	-21.7
Food & Kindred	25,400	- 300	- 1.2	- 600	- 2.3
Other Nondurables	30,100	- 800	- 2.6	- 2,000	- 6.2
Nonmanufacturing	777,700	-34,600	- 4.3	- 74,800	- 8.8
Construction	29,300	- 5,900	-16.8	- 26,100	-47.1
Transp., Comm. & Utilities	6,200	- 3,600	- 6.0	- 5,400	- 8.8
Trade	244,100	- 8,800	- 3.5	- 21,300	- 8.0
Finance, Ins., & Real Estate	63,000	- 3,100	- 4.7	- 7,500	-10.6
Services	183,300	- 6,500	- 3.4	- 6,700	- 3.5
Government	200,100	- 6,200	- 3.0	- 7,100	- 3.4
Agriculture	27,700	- 2,100	- 7.0	- 2,400	- 8.0

A look at the one year comparisons shows mostly minus signs. The wage and salary employment deficit is currently -44,700 with over 3/4ths of this loss occurring in nonmanufacturing. Considering the well publicized problems confronting the state's lumber and wood products industry, it may surprise some to see that this sector was the only one to show an increase in jobs (+800) in the past year.

Although the construction industry continued its free fall in 1982 owing to growing weakness in nonresidential building activity, the major job losses this year were centered in "Other Durable Goods" manufacturing. By and large the firms that comprise this category are engaged in the production of capital goods rather than consumer goods. Since plant and equipment spending has been in a tailspin during 1982 and a record amount of factory capacity is sitting idle, little if any improvement is likely in "Other Durable Goods" manufacturing in 1983. Even the formerly recession-resistent electronics and high tech firms have experienced significant job reductions this year as both domestic and foreign export markets have withered. The bulk of the layoffs in durable goods however have come in Primary (-2,700) and Fabricated (-2,000) Metals and Machinery (-2,400). Elsewhere in manufacturing, employment losses were relatively tiny and confined mostly to Paper (-600) and Food Products (-300).

Although Oregon's tourist industry had another good year in 1982, the rest of the pack in nonmanufacturing had more than enough problems. Even such recession-resistent sectors as Services, especially medical services, and government found it necessary to cut back their payrolls.

Things were not any better in agriculture this year. Farm employment was 2,100, or 7.0%, lower in November than a year ago. Annual average farm employment has actually been quite stable at around 35,000 - 35,500 in Oregon since 1976, but this year the average employment will drop to 33,000 - 33,500. Both crop and livestock prices have fallen in the past year while farm expenses continued to rise. As a result net farm income will decline in 1982 for the third straight year. Excess supplies of important farm products, most notably wheat and feed grains, will probably continue to depress prices in these markets well into 1983.

Turning back to the employment comparison to three years ago, suffice it to say that Oregon's economy has lost more than one tenth of its nonfarm payroll jobs since 1979. From the table above the reader can see that all major industries have contracted in varying amounts and degrees. Not surprisingly the construction and durable goods manufacturing industries, including lumber and wood products, have borne the greatest job losses. After such a steep three year decline, most economists do not expect Oregon to reach its pre-recession employment peak again until around 1986 or 1987?

Reading Oregon's and the nation's economic tea leaves is an especially hazardous undertaking during times such as these. Dramatic structural changes are occurring in the economy and the balance of political/economic power appears to be shifting in Washington as a new Congress convenes in January. In next month's Labor Trends we will gallantly peer into the 1983 economic fog and discuss the outlook.□

OREGON LOSES FEDERAL UNEMPLOYMENT INSURANCE PROGRAM

The extended benefits unemployment insurance program financed by both federal and state monies was terminated in mid-December as Oregon's insured unemployment rate fell below the level required by Federal law.

This same law mandates that once a state is off the program, it must stay off for 13 weeks. The approximately 12,500 Oregon unemployed workers who collected benefits from this program were switched to another federal program, the Federal Supplemental Compensation Program. Under this program, however, individuals may be entitled to a maximum of 10 weeks of benefits rather than the 13 weeks available in the previous program.

The impact of the loss of the extended benefits program will not be felt until early March. That is when these long term jobless workers will exhaust their benefits. Only a few may be eligible to collect further unemployment insurance benefits.

Oregon will most likely be back on the extended benefits program the last week in March. Benefit eligibility will be determined on an individual case basis at that time.□

RESIDENT OREGON LABOR FORCE

	Nov. 1982 1/	Oct. 1982 2/	Change	% Change	Nov. 1981 5/
Civilian Labor Force 3/	1,310,900	1,305,200	+5,700	+0.4	1,322,900
Unemployment	156,200	135,200	+21,000	+15.5	141,300
Percent of Labor Force	11.9	10.4	xxx	xxx	10.7
Seasonally Adjusted Percent	12.5	11.5	xxx	xxx	11.3
Total Employment 4/	1,154,700	1,170,000	-15,300	-1.3	1,181,600

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1981 and January 1982, data for 1982 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Nov. 1982 1/	Oct. 1982 2/	Nov. 1981	Change From Oct. 1982	Change From Nov. 1981
TOTAL 3/	964,200	973,400	1,008,900	-9,200	-44,700
Wage & Salary Employment Index 4/	123.3	123.8	129.0	xxx	xxx
Diffusion Index 5/	44.2	40.3	32.1	xxx	xxx
Total Manufacturing	186,500	193,300	196,600	-6,800	-10,100
Durable Goods	131,000	133,400	140,000	-2,400	- 9,000
Lumber & Wood Products	57,500	58,100	56,700	- 600	800
Logging & Sawmills	28,700	29,700	29,500	-1,000	- 800
Veneer & Plywood	17,800	17,800	16,400	0	1,400
Millwork & Structural Wood	6,100	5,700	5,600	400	500
Mobile Homes	1,600	1,600	1,700	0	- 100
Other Wood Products	3,300	3,300	3,500	0	- 200
Furniture & Fixtures	2,300	2,200	2,400	100	- 100
Stone, Clay, Glass, & Concrete	3,600	3,800	3,800	- 200	- 200
Primary Metals	6,900	7,000	9,600	- 100	- 2,700
Blast Furnaces, Iron & Steel	3,900	3,900	5,400	0	- 1,500
Nonferrous Metals	3,000	3,100	4,200	- 100	- 1,200
Fabricated Metals	9,100	9,400	11,100	- 300	- 2,000
Fabricated Structural Metals	3,700	3,900	4,400	- 200	- 700
Other Fabricated Metals	5,400	5,500	6,700	- 100	- 1,300
Machinery	15,500	15,800	17,900	- 300	- 2,400
Electrical Equipment & Supplies	9,700	10,200	9,600	- 500	100
Transportation Equipment	7,500	8,100	8,800	- 600	- 1,300
Instruments & Related Products	16,300	16,500	17,300	- 200	- 1,000
Miscellaneous Manufacturing	2,600	2,300	2,800	300	- 200
Nondurable Goods	55,500	59,900	56,600	-4,400	- 1,100
Food & Kindred Products	25,400	29,400	25,700	-4,000	- 300
Canning & Preserving	14,500	18,700	14,600	-4,200	- 100
Other Food Products	10,900	10,700	11,100	200	- 200
Textile Mill Products	1,900	1,900	1,900	0	0
Apparel	2,800	2,900	2,800	- 100	0
Paper & Allied Products	9,700	9,800	10,300	- 100	- 600
Printing & Publishing	10,500	10,500	10,400	0	100
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	400	500	500	- 100	- 100
Rubber & Plastic Products	2,300	2,400	2,500	- 100	- 200
Leather Products	400	400	300	0	100

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Nov. 1982	Oct. 1982	Nov. 1981	Change From Oct. 1982	Change From Nov. 1981
(cont.)					
Total Nonmanufacturing	777,700	780,100	812,300	-2,400	-34,600
Mining & Quarrying	1,700	2,300	2,200	- 600	- 500
Construction	29,300	30,500	35,200	-1,200	- 5,900
Transportation, Communications, & Utilities	56,200	56,600	59,800	- 400	- 3,600
Transportation	32,000	32,200	34,400	- 200	- 2,400
Railroad	5,800	5,900	6,600	- 100	- 800
Trucking & Warehousing	15,900	16,000	17,400	- 100	- 1,500
Other Transportation	10,300	10,300	10,400	0	- 100
Communications	15,200	15,400	16,300	- 200	- 1,100
Utilities	9,000	9,000	9,100	0	- 100
Trade	244,100	244,200	252,900	- 100	- 8,800
Wholesale Trade	61,100	61,600	67,200	- 500	- 6,100
Durable Goods	34,900	35,200	39,400	- 300	- 4,500
Nondurable Goods	26,200	26,400	27,800	- 200	- 1,600
Retail Trade	183,000	182,600	185,700	400	- 2,700
General Merchandise	25,000	24,200	25,000	800	0
Food Stores	26,100	25,900	27,200	200	- 1,100
Auto Dealers & Service Stations	21,600	22,000	22,200	- 400	- 600
Other Retail Trade	110,300	110,500	111,300	- 200	- 1,000
Finance, Insurance, & Real Estate	63,000	63,900	66,100	- 900	- 3,100
Banking & Credit Agencies	23,200	23,300	25,100	- 100	- 1,900
Other Finance, Insurance, & Real Estate	39,800	40,600	41,000	- 800	- 1,200
Services	183,300	185,500	189,800	-2,200	- 6,500
Hotels & Personal Services	21,700	22,400	24,000	- 700	- 2,300
Health Services	63,100	63,400	64,400	- 300	- 1,300
Other Services	98,500	99,700	101,400	-1,200	- 2,900
Government	200,100	197,100	206,300	3,000	- 6,200
Federal Government	30,200	29,800	30,400	400	- 200
State Government	52,100	52,200	52,600	- 100	- 500
Education	22,900	22,600	23,400	300	- 500
Other State	29,200	29,600	29,200	- 400	0
Local Government	117,800	115,100	123,300	2,700	- 5,500
Education	74,200	72,000	77,800	2,200	- 3,600
Other Local	43,600	43,100	45,500	500	- 1,900
Labor-Management Disputes	100	100	100	0	0

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ The employment index is a measure of change from the base year (1972 = 100) of seasonally adjusted employment.

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS AND EARNINGS — ECONOMIC PROBLEMS REFLECTED

Oregon economic problems continued to be reflected in October hours and earnings figures. Manufacturing showed declines in both weekly hours and average hourly pay between September and October. The durable goods sector of manufacturing followed the overall trend by losing 1.2 hours of work and five cents in earnings. The nondurable goods sector of manufacturing lost an equal number of hours, but held steady at nine dollars per hour between September and October. Trade showed the same downward trend as manufacturing, losing .3 hour per week and thirteen cents per hour. This is typical for trade as retail merchants hire more lower paid part time help in preparation for the coming holidays.

Construction on the other hand showed a 1.1 hour per week increase in average weekly hours, but lost eight cents per hour in wages. Unfortunately this increase in hours is due to a decrease in the number of people working, i.e. fewer people working longer hours. The expansion in hours worked in construction was a welcome sign, but 34.6 hours per week is low for this industry at this time of year. To give some idea of how low this is; the only comparable figure was 34.0 in October of 1962.

Communication and utilities, like construction, only partially followed the trend set by manufacturing. Communications and utilities decreased its weekly hours (-.4), but increased its average hourly earnings by eleven cents. The decline in hours is fairly typical for this industry at this time of year if there aren't any storms; this reflects reduction in field activities. At least in the case of one company a voluntary reduction in hours took place. The wage increase is due at least in part to cost of living adjustments which became effective at this time.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct.2/ 1982	Sept.3/ 1982	Oct. 1981	Oct.2/ 1982	Sept.3/ 1982	Oct. 1981	Oct.2/ 1982	Sept.3/ 1982	Oct. 1981
TOTAL MANUFACTURING 4/	$377.13	$390.72	$360.47	37.6	38.8	37.2	$10.03	$10.07	$9.69
Durable Goods	398.24	412.78	374.00	38.0	39.2	37.4	10.48	10.53	10.00
Lumber & Wood Products	400.60	428.58	363.94	37.3	39.5	35.3	10.74	10.85	10.31
Logging & Sawmills	440.07	462.04	396.03	38.3	39.9	36.3	11.49	11.58	10.91
Veneer & Plywood	385.19	420.72	349.86	36.1	39.1	34.0	10.67	10.76	10.29
Millwork & Struct Wood	282.41	323.20	280.10	36.3	38.8	34.2	7.78	8.33	8.19
Mobile Homes	283.27	299.12	251.52	34.8	38.3	32.0	8.14	7.81	7.86
Other Wood Products	379.24	387.16	349.09	37.4	38.6	36.1	10.14	10.03	9.67
Furniture & Fixtures	267.62	258.14	237.80	35.4	34.1	32.8	7.56	7.57	7.25
Primary Metals	485.59	478.63	477.20	38.6	39.2	40.0	12.58	12.21	11.93
Fabricated Metals	383.30	373.61	338.76	38.6	37.7	36.0	9.93	9.91	9.41
Machinery	403.48	399.62	380.24	38.1	37.7	38.1	10.59	10.60	9.98
Nondurable Goods	329.40	340.20	323.69	36.6	37.8	36.7	9.00	9.00	8.82
Food & Kindred Prod	269.57	287.64	284.33	35.8	37.6	35.9	7.53	7.65	7.92
Canning & Preserving	217.12	245.75	240.47	34.3	36.9	34.7	6.33	6.66	6.93
Other Food Products	394.97	399.74	373.63	39.3	39.5	38.4	10.05	10.12	9.73
Textile Mill Products	200.34	196.84	195.33	37.1	37.0	38.3	5.40	5.32	5.10
Apparel	184.73	186.18	179.05	34.4	34.8	34.7	5.37	5.35	5.16
Paper & Allied Products	521.24	529.51	483.48	40.5	41.4	41.5	12.87	12.79	11.65
Printing &									
Construction 4/									
Communications & Utilities 5/	438.08	438.31	407.15	38.7	39.1	39.3	11.32	11.21	10.36
Trade 5/	279.62	286.55	272.21	34.1	34.4	34.5	8.20	8.33	7.89
Wholesale Trade	368.25	379.38	355.50	37.5	37.9	37.5	9.82	10.01	9.48
Retail Trade	231.20	234.90	226.02	32.2	32.4	32.9	7.18	7.25	6.87
Banking & Insurance	241.31	246.96	228.55						
State & Local Government	306.39	319.17	290.11						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

There were areas within durable goods manufacturing which ran contrary to the downward trend in average hours. Furniture and fixtures moved up slightly to 35.4 hours per week. This was a very sharp rise from earlier months of this year when average weekly hours were running in the twenties. The increase in weekly hours was due to a need to rebuild inventories. If there is no increase in demand for furniture we can expect hours in this industry to decline again as inventories are rebuilt. Fabricated metals gained .9 of an hour between September and October. At 38.6 hours per week this industry is at its normal level for this time of year. The October 1981 level (36.0) was unusually low because several firms in this industry had to sharply curtail their activities when it became apparent that they had underestimated the depth and duration of this recession. Machinery manufacturing increased its hours per week to 38.1 between September and October which brought it up to last year's level. This level of weekly hours is fairly typical for this industry at this time of year.

Average hourly earnings followed the contraction in weekly hours with earnings tending to fall between September and October. There were exceptions to this trend, the most noticable being the 39 cent per hour increase in primary metals. This increase is due to a large drop in production workers which typically leaves the higher paid and more senior workers on the job and at least a little to cost of living adjustments which become effective at this time. A year to year comparison shows that wages are above what they were a year ago. The exception to this is canning and preserving, which showed a sixty cent per hour decrease. This is due to the wage reductions that were negotiated in this industry earlier this year.

Although it could be argued that a slight decrease in hours and earnings can be expected at this time of year as highly seasonal industries curtail their activities, such is not the case. Construction, a very seasonal industry, increased its hours. The decrease we see here is reminiscent of the magnitude and timing of the decreases seen in the '74-'75 recession.□

WHERE ARE WE HEADED?

The downturn in Oregon's economy deepened in November as unemployment shot up and employment continued to fall. Three times as many workers than expected joined the ranks of the unemployed in November causing a jump of one full percentage point in the unemployment rate. Seasonally adjusted unemployment rose to 12.5%. The national economic picture does not look much better. Should the recession continue into December, it would become the longest and deepest business slump in the post-World War II period. The previous record, the 1974-75 recession, lasted 16 months.

Disappointment also prevailed in that the non-agricultural wage and salary employment index reversed last month's modest gain by dropping .5 for November to 123.3. The national index also posted a decline of .2 following a steady downward trend since the summer of 1981. Following indicators which merely reflect current status of the economy can be a dismal science. Fortunately, there are analytical tools which are also useful for providing an insight into a not so gloomy future. One of these, the Diffusion Index, continued its upward trend which started in May. The latest available Commerce Department's index of leading indicators also rose; the sixth increase in the last seven months, adding support to this note of optimism. Below is a more detailed look at the industry employment changes.

MANUFACTURING

Unfortunately, any real signs of economic strength remain elusive. With the economy as weak as it is, many of Oregon's manufacturing plants are operating at or near their lowest capacity since World War II. Some timber experts are saying that conditions are as bad as any experienced. Yet November did offer some optimism as seasonally adjusted Lumber and Wood Products employment climbed 800. A sustained level of activity by a large number of Logging and Sawmill firms cushioned the normal seasonal downturn. Veneer and Plywood pulled off somewhat of a surprise with employment exceeding year ago levels for the second month in a row, this time by 1,400. One factor contributing to the upswing in seasonally adjusted employment was the lack of normal seasonal employment expansion this past summer.

Combined employment losses for Other Durables (Durables excluding Lumber and Wood) outstripped expected levels, falling 1,800 over the month which equates to a seasonally adjusted decline of 1,500. November's level is 9,800 below last year. By comparison, Lumber and Wood is 800 above year ago levels. While all Durable Goods will continue to be buffeted during the coming months, Other Durables will likely take on an increasing share of the burden until excess plant capacity shrinks enough to stimulate demand for plants and equipment. Retrenching continues for most Metals producers. Rising energy costs to northwest aluminum producers has served to shrink their competitive edge. Employment has fallen a full 29% (-1,200) over the past year. Concentrated efforts are being made to maintain and enhance profitable areas of aluminum processing, yet until auto and aerospace production turns around, little relief is expected. Aluminum producers are not the only sufferers. Employment losses for combined Primary and Fabricated Metals total a whopping 4,700 over the past year.

High tech industries, once considered to be insulated from recessionary forces, are also taking their lumps. November employment for Electrical Equipment and Supplies fell 500 over the month, while Instruments and Related Products dropped 200 since October and is 1,000 below year

ago levels. Soft product markets for industrial equipment components along with a sharp drop in demand for sophisticated computer equipment used by petroleum related businesses has prompted a rethinking of previous optimism.

NONMANUFACTURING

There is evidence that construction activity is picking up again as interest rates fall. While November employment fell 1,200, seasonally adjusted there was no change in construction employment. Greatest unadjusted losses came in Heavy Construction (-1,300). Residential Construction was the one bright spot, posting a 500 increase over the month. The number of building permits for housing starts of single family dwellings reversed seasonal trends in October, contributing to the optimism for this sector. Also seen was a noticeable increase in mortgage activity by several financial institutions. Care must be taken, however, before painting too rosy of a picture. Much of the increased mortgage activity stems from refinancing activity or will be used in reducing the tremendous backlog of unsold housing already on the market. Added to this is the fact that total Oregon construction contract activity is running over 40% below 1981's dismal record.

Anemic retail trade hiring for the holiday season followed in the wake of severe hardships being experienced in manufacturing. Reluctance on the part of retailers to hire their usual level of temporary staff for the holidays was apparent as seasonally adjusted employment fell 1,700. It appears that most employers are taking a "wait and see" attitude. A secondary impact from all this is a reduction in Business Services employment. Cost cutting efforts have led many retailers to reduce hiring for such things as security and advertising.

IMPROVEMENT AT HAND

While indicators such as the unemployment statistics for November are certainly discouraging, there are some brighter spots in the news which bode well for 1983 - a resurgence in the stock market, declining interest rates, and slower price increases. The consensus is that unemployment will remain uncomfortably high, though indications are that improvement is close at hand. Seasonally adjusted unemployment should peak either in November or December and start a slow downward trend with the first of the new year.□

NEW LABOR SURPLUS AREAS DESIGNATED

The Balance of Multnomah County (Multnomah less the City of Portland) and Clark County have been classified as labor surplus areas. The classification, based on exceptional circumstances, took effect on December 1, 1982.

Employers located in eligible labor surplus areas and who meet other criteria, are entitled to preference in bidding on Federal procurement contracts.

The purpose of the labor surplus area procurement preference is to help guide a portion of the government's procurement dollars into those areas where people are in most severe economic need, e.g., areas with the highest unemployment.

Under the U.S. Department of Labor's classification procedures, an area is classified as a labor surplus area if the unemployment rate is at least 1.20 times the national unemployment rate during the previous two calendar years.

The procedures also provide for the classification on the basis of exceptional circumstances. Under these procedures, if an area does not meet the criteria necessary for classification as a labor surplus area, the criteria can be waived and the area classified when there has been a sudden rise in the unemployment in the area (other than seasonal or short term) that is not reflected in the area's data for the reference period. Such situations can occur as a result of natural disasters, plant closings of major employers, etc. which have a substantial impact on the area's employment and unemployment.□

OREGON LABOR TRENDS

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
JANUARY 1983

DECEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Actual
Dec. '82	12.0	12.2
Nov. '82	12.5	11.9
U.S.		
Dec. '82	10.8	10.5
Nov. '82	10.7	10.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1972=100
Dec. 1982:	122.9
Nov. 1982:	123.3
Dec. 1981:	127.9
Dec. 1980:	134.1
Dec. 1979:	138.7

DIFFUSION INDEX

Oregon	
Dec. 1982:	43.4
Nov. 1982:	44.6
Oct. 1982:	40.3
Sep. 1982:	37.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Nov. 1982:	38.6
Oct. 1982:	37.6
Nov. 1981:	36.9

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Nov. 1982	285.6
Year Change	2.5%
U.S.	
Dec. 1982	292.4
Year Change	3.9%

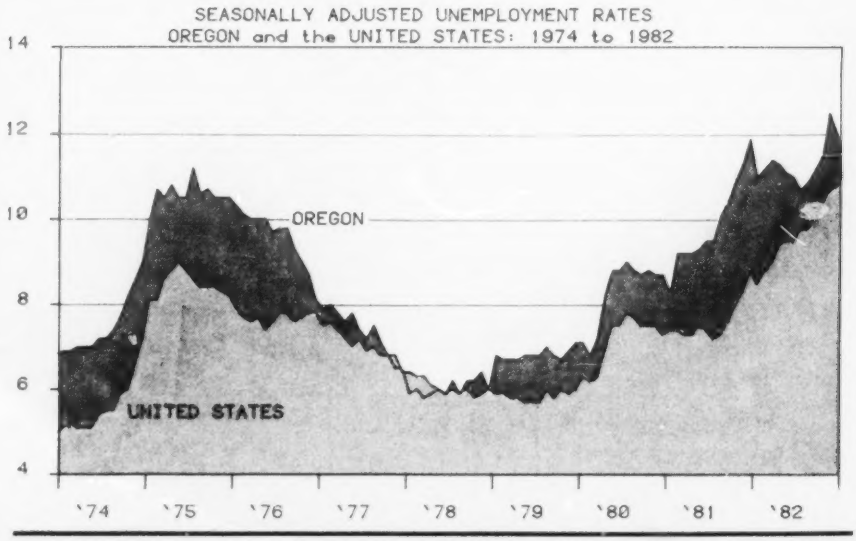
OUTLOOK – 1983

According to most economic analysts the recession which has gripped the nation for 1½ years and Oregon for approximately twice that long, will finally give way to recovery in 1983. That's the good news. The bad news is that continued high unemployment, consumer caution, record high federal budget deficits, and a host of other economic problems is expected to cause the pace of recovery to be unusually slow. Perhaps the best that can be said about 1983 is that it promises to be a transition year in which both the U.S. and Oregon economies finally stop declining and begin to expand once again.

The concern now is not so much whether a turnaround is near, but rather that it may be too weak to generate significant improvement both here and abroad. Since the U.S. economy has such a pervasive influence on what happens in Oregon, the national economic outlook merits a close look.

The following highlights of the national forecast reflect the latest views of Data Resources Incorporated (DRI), a national economic consulting firm. DRI's national forecasts are used by the State of Oregon to provide the national economic assumptions for Oregon's econometric model. This is the model which projects state economic conditions and tax revenues.

- Housing starts will stage a significant recovery rising from just under 1.1 million units in 1982 to nearly 1.5 million units in 1983. The pre-recession high was 2.0 million starts in both 1977 and 1978. This is one of the



most optimistic housing projections yet and comes on the heels of November's spurt in housing starts to a 1.4 million annual rate. It appears that housing activity may finally be responding to the drop in interest rates that has been occurring since last summer. The rebound in U.S. housing construction represents one of the biggest pluses in Oregon's outlook. Some pick-up in our lumber and wood products employment can be expected soon but the major jobs impact is not expected until 1984 and 1985. Even with a solid recovery in housing however, employment in Lumber and Wood is not expected to reach Oregon's pre-recession peak again due to permanent plant closures and increased mechanization.

- Consumer spending, which like housing construction typically performs a leading role in any economic expansion, will improve only modestly in 1983 primarily due to higher automobile sales. Retail sales for other than automobiles are expected to remain sluggish due to a lack of income growth and weak consumer confidence, although the July federal tax cut will help.

  In Oregon the overall impact of a pick-up in spending on consumer durable goods will be less significant because our manufacturing base is more oriented toward capital goods. A boost in overall retail sales in Oregon this spring and summer does seem possible however, when one considers the record volume of federal income tax refunds that Oregon taxpayers may receive by this summer. Rough estimates by the IRS indicate that about 70% of Oregon's one million taxpayers could share nearly $700 million dollars in refunds in the months ahead. This would mean an average federal refund of close to $850 dollars. The Oregon Department of Revenue did not hazard a guess for 1983, but did indicate that about 70% of taxpayers received state refunds averaging $240 through June of 1982 totaling $191 million.

- Defense spending will increase sharply nationwide in 1983 and beyond. The initial stimulative effects of this policy will largely bypass Oregon since this state has virtually no military installations and few defense contractors.

- Inventory levels are still too high in various U.S. industries despite production cutbacks throughout 1982. This coupled with weak sales volumes is expected to cause further production curtailments in the early part of 1983 before turning around in the spring. Capacity utilization rates in manufacturing should then begin to rise slowly from the current depressed level of around 67%. It should be noted, however, that the inventories of lumber and wood products are at low levels - so low that an increase in orders for wood products will translate quickly into higher production.

- Capital spending for new plants and equipment represents one of the weakest aspects of the national forecast, with further sharp declines expected. In Oregon, these capital goods industries represent a significant portion of the industrial base. They are typically one of the last sectors of the economy to fall into recession as well as one of the last to improve. Some further employment cutbacks are to be expected in Oregon's metals, machinery and even electronics industries, at least in the first half of 1983.

- The worldwide recession coupled with the U.S. dollar's high exchange value and the debt problems of many third world nations is expected to cause U.S. exports to decline and imports to rise, thus widening the U.S. trade deficit in 1983. Economic sectors in Oregon that rely heavily on export markets (e.g. agriculture, electronics, etc.) will be vulnerable.

- Inflation as measured by the Consumer Price Index (all urban consumers) dropped sharply in 1982 to about 6.2%, and should continue to fall in 1983. Factors responsible include ample food supplies, flat or lower prices for OPEC oil, the weak economy, moderating wage and capital costs and an improving productivity trend. Lower inflationary expectations in turn should help to ease interest rates even further.

- The federal budget as viewed by DRI will provide too little stimulus to the private economy in the short run. However the extremely high budget deficits ($187 billion) expected in 1983 and beyond may destabilize financial markets and keep interest rates relatively high over the longer run.

- The Federal Reserve Board has temporarily focused monetary policy on prodding the economy with faster money supply growth and lower interest rates rather than on keeping a tight rein on inflation. Since real interest rates after discounting the drop in inflation are still quite high, some further easing by the FED is likely.

- State and local governments are feeling the squeeze from tight budgets and cuts in federal aid. Many will be forced to respond with spending reductions.

  This was the case in Oregon during 1982, a year in which net out-migration of some 25,000 residents caused the state's total population to decline. While net migration from Oregon should slow or even cease in 1983 as recovery begins, employment levels in government as well as most other nonmanufacturing industry sectors will probably average less than in 1982.

  Two exceptions to this trend are likely to be retail trade, which will benefit from a pick-up in consumer spending, and health services. Tourism in Oregon may also fare even better in 1983 than it did last year due to large tax refunds this spring, another 10% federal tax reduction in July, and prospects of further cuts in the price of gasoline, even with the 5¢ gas tax increase in April.

One of the most perplexing aspects of the 1983 economic outlook for both the nation and Oregon is that the recovery is likely to be too slow to bring about much if any improvement in unemployment. In fact unemployment after seasonal adjustment could well climb even higher in the first several months of 1983.

Improvement in unemployment typically lags in the early stages of economic recovery for a couple of reasons. First, employers usually respond to an increase in business by working current employes longer hours rather than hiring new workers or calling back laid off workers. Second, as a recovery picks up steam and jobs begin to open up, the labor force begins to grow faster as former "discouraged workers" re-enter the labor force in search of work. The volume of "discouraged workers" nationwide is currently at a record level of about 1.8 million people, representing a very large pool of potential "unemployed" if they begin to look for work. Nationally, DRI expects the unemployment rate to jump from 9.7% in 1982 to an average of 10.7% in 1983. The highest rates are expected in the first quarter of 1983 (11.1%) followed by gradual declines to 10.3% in the fourth quarter with further improvement into 1984 and 1985.

Oregon's unemployment rate is also expected to rise in 1983, but by a smaller amount - to around 12% from an average of 11.5% in 1982.

Oregon agriculture has taken its lumps in recent years with net farm income down in 1982 for the third year in a row. It is too early to say whether farm sales or net farm income will rise or fall in 1983. On the plus side, prices paid by Oregon farmers for farm supplies are now rising at a much more tolerable rate of 3-5%. But crop surpluses, most notably of wheat - Oregon's number one crop - are a price depressant on the market. Fortunately for Oregon, wide swings in farm sales and net farm income are generally minimized by the agricultural diversity we have in our state.

In summary, 1983 will be another difficult year economically for Oregon and the U.S. It will serve as a transition year in which the prolonged period of deep recession gives way to a slow and fragile economic recovery.

Unemployment will be the number one problem facing policy makers as the number of job seekers continues to rise early in 1983. Although the employment situation should begin to show improvement beyond normal seasonal gains by this spring or summer the annual average number of unemployed and the jobless rate are expected to move higher both nationwide and in Oregon.

The primary question now is not whether a recovery is about to begin. In some sectors, such as housing, improvement has already started. But what worries many economists more than the recovery timetable, is the prospect of an unusually weak national recovery that may not be sufficient to lead other nations' economies out of the worldwide slump.

A major problem which could short circuit the recovery is the prospect of record federal budget deficits over the next few years. The 1983 deficit which DRI projects will approach $187 billion, is not expected to prevent a turnaround from occurring this spring since private credit demands are currently so low. Federal deficits of this magnitude in 1984 and 1985 however, would create intense pressures on the financial system as private credit demands rise. Depending on how the Federal Reserve Board responds, the result of this competition for funds would either be a return to higher interest rates or acceptance of very inflationary rates of money supply growth.

Other problems that may affect the strength and longevity of the recovery are the mounting debts of many third world nations and the danger of rising protectionism from foreign imports. The latter could lead to more trade barriers between countries, less international trade, and possibly a deeper worldwide recession.

Some of these problems may seem very remote insofar as Oregon's economic outlook for 1983 and beyond is concerned. But, the fact is that Oregon is probably more dependent now on national and international economic conditions than ever before.□

HOURS AND EARNINGS - "COMIN' 'ROUND THE CORNER"?

November hours and earnings offers what appears to be a break in the economic storm clouds which have buffetted Oregon the past two years. While it is too early to celebrate, if indeed a celebration is called for, cautious optimism at least may be in order. Reason for the optimism stems from a reported increase in the workweek average for production workers in Oregon. Average weekly hours furnish an insight into the demand for an industry's goods and services. November's manufacturing figures took a significant jump from October's level, climbing to 38.6 from 37.6. The increase was so significant as to rank second only to the increase in 1962, which was prompted by cleanup following the Columbus Day storm.

While weekly hours were providing some relief, production worker employment also turned in a favorable performance. A drop in production worker employment for November is a normal occurrence and this November was no exception. The difference was that the overall decline was less than expected. During the last 10 years the average decline has been 3.5% of the manufacturing total; whereas this year the drop was only 3.1%.

MANUFACTURING

All areas of Lumber & Wood Products reported strong gains in weekly hours, accounting for a 1.8 overall jump. A modest increase in production worker employment appears also to have created a slight ($.05) downward push on average hourly earnings. As expected, logging operations slowed for the winter months. Sawmill activity failed to show signs of hibernation by pushing weekly hours for combined Logging & Sawmill activity up by a full hour. Veneer & Plywood pulled off the biggest jump in weekly hours (3.1) while adding over 900 production workers. Resumption of production activities by some firms as well as general improvement throughout Veneer & Plywood are in part due to recent improvement in the market price of plywood. In other areas of Lumber & Wood Products, plans of extended holiday closures for Thanksgiving prompted several firms to step up production activities slightly.

RESIDENT OREGON LABOR FORCE

	Dec. 1982 1/	Nov. 1982 2/	Change	% Change	Dec. 1981 5/
Civilian Labor Force 3/	1,316,300	1,310,600	+5,700	+0.4%	1,322,200
Unemployment	161,200	156,300	4,900	+3.1%	159,200
Percent of Labor Force	12.2	11.9	xxx	xxx	12.0
Seasonally Adjusted Percent	12.0	12.5	xxx	xxx	11.9
Total Employment 4/	1,155,100	1,154,300	+800	+0.1%	1,163,000

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1981 and January 1982, data for 1982 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Dec. 1982 1/	Nov. 1982 2/	Dec. 1981	Change From Nov. 1982	Change From Dec. 1981
TOTAL 3/	956,500	963,700	995,200	-7,200	-38,700
Wage & Salary Employment Index 4/	122.9	123.3	127.9	xxx	xxx
Diffusion Index 5/	43.4	44.6	29.0	xxx	xxx
Total Manufacturing	183,300	187,700	190,900	-4,400	- 7,600
Durable Goods	130,200	131,300	137,500	-1,100	- 7,300
Lumber & Wood Products	57,300	58,200	54,800	- 900	2,500
Logging & Sawmills	28,200	29,200	27,900	-1,000	300
Veneer & Plywood	18,300	18,000	16,500	300	1,800
Millwork & Structural Wood	6,100	6,100	5,400	0	700
Mobile Homes	1,500	1,600	1,600	- 100	- 100
Other Wood Products	3,200	3,300	3,400	- 100	- 200
Furniture & Fixtures	2,100	2,200	2,300	- 100	- 200
Stone, Clay, Glass, & Concrete	3,300	3,500	3,700	- 200	- 400
Primary Metals	6,900	6,900	9,400	0	- 2,500
Blast Furnaces, Iron & Steel	3,900	3,900	5,300	0	- 1,400
Nonferrous Metals	3,000	3,000	4,100	0	- 1,100
Fabricated Metals	9,300	9,200	10,900	100	- 1,600
Fabricated Structural Metals	3,900	3,800	4,300	100	- 400
Other Fabricated Metals	5,400	5,400	6,600	0	- 1,200
Machinery	15,000	15,500	17,700	- 500	- 2,700
Electrical Equipment & Supplies	9,700	9,700	10,300	0	- 600
Transportation Equipment	8,200	7,500	8,200	700	0
Instruments & Related Products	16,100	16,200	17,300	- 100	- 1,200
Miscellaneous Manufacturing	2,300	2,400	2,900	- 100	- 600
Nondurable Goods	53,100	56,400	53,400	-3,300	- 300
Food & Kindred Products	22,900	26,300	22,600	-3,400	300
Canning & Preserving	12,500	15,400	11,800	-2,900	700
Other Food Products	10,400	10,900	10,800	- 500	- 400
Textile Mill Products	1,900	1,900	1,900	0	0
Apparel	2,900	2,800	2,900	100	0
Paper & Allied Products	9,700	9,900	10,300	- 200	- 600
Printing & Publishing	10,300	10,400	10,300	- 100	0
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	400	400	500	0	- 100
Rubber & Plastic Products	2,500	2,400	2,400	100	100
Leather Products	400	400	300	0	100

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Dec. 1982	Nov. 1982	Dec. 1981	Change From Nov. 1982	Change From Dec. 1981
(cont.)					
Total Nonmanufacturing	773,200	776,000	804,300	-2,800	-31,100
Mining & Quarrying	1,400	1,800	1,900	- 400	- 500
Construction	26,600	28,900	33,200	-2,300	- 6,600
Transportation, Communications, & Utilities	56,400	56,300	59,200	100	- 2,800
Transportation	32,300	32,100	33,800	200	- 1,500
Railroad	5,700	5,800	6,500	- 100	- 800
Trucking & Warehousing	16,300	15,900	16,900	400	- 600
Other Transportation	10,300	10,400	10,400	- 100	- 100
Communications	15,100	15,200	16,300	- 100	- 1,200
Utilities	9,000	9,000	9,100	0	- 100
Trade	246,800	245,200	252,200	1,600	- 5,400
Wholesale Trade	60,200	60,900	66,000	- 700	- 5,800
Durable Goods	34,600	35,000	38,800	- 400	- 4,200
Nondurable Goods	25,600	25,900	27,200	- 300	- 1,600
Retail Trade	186,600	184,300	186,200	2,300	400
General Merchandise	27,400	25,700	26,700	1,700	700
Food Stores	26,900	26,200	26,700	700	200
Auto Dealers & Service Stations	21,700	22,000	21,800	- 300	- 100
Other Retail Trade	110,600	110,400	111,000	200	- 400
Finance, Insurance, & Real Estate	63,500	63,600	65,900	- 100	- 2,400
Banking & Credit Agencies	23,300	23,300	25,100	0	- 1,800
Other Finance, Insurance, & Real Estate	40,200	40,300	40,800	- 100	- 600
Services	182,800	183,000	189,400	- 200	- 6,600
Hotels & Personal Services	21,600	21,600	23,800	0	- 2,200
Health Services	63,000	63,300	64,600	- 300	- 1,600
Other Services	98,200	98,100	101,000	100	- 2,800
Government	195,700	197,800	202,500	-2,100	- 6,800
Federal Government	29,500	29,300	30,700	200	- 1,200
State Government	50,800	52,100	51,000	-1,300	- 200
Education	22,200	22,800	22,700	- 600	- 500
Other State	28,600	29,300	28,300	- 700	300
Local Government	115,400	116,400	120,800	-1,000	- 5,400
Education	72,300	73,300	76,600	-1,000	- 4,300
Other Local	43,100	43,100	44,200	0	- 1,100
Labor-Management Disputes	0	100	100	- 100	- 100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ The employment index is a measure of change from the base year (1972 = 100) of seasonally adjusted employment.

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Softwood inventories have fallen to an incredibly low level. While recent declines have been attributable to a somewhat stronger demand during early 4th quarter, the prolonged downturn has left many firms with little margin for error to increase production too rapidly thus driving prices back down. As a result, caution will be exercised whenever and wherever possible.

In Other Durables only Furniture & Fixtures reported any improvement in production worker employment for November. Increasing weekly hours proved to be more a function of fewer people working more hours. An unfortunate exception to this was Machinery, which lost ground in both employment and weekly hours. A 4.1 jump in weekly hours for Primary Metals does not hold an abundance of good news. Payment of earned vacation hours to workers being laid off by two firms as well as payment for holiday hours worked by another prompted the increase in hours for November. Factories now operating at extremely low levels of capacity due to a weak economy continue to retrench production activities.

Hourly earnings for Nondurable Goods showed a $.46 jump in November. However, a large share of the increase resulted from layoffs of lower paid seasonal workers in Food & Kindred Products. Another factor was a $.15 rise in Printing and Publishing and $.22 in Textile Mill Products. The improvement in Printing & Publishing stems from a large jump in overtime hours by three firms.

NONMANUFACTURING

Economic news is often not uniformly good or bad. Such was the case in Construction. Seasonally adjusted employment for November remained unchanged, while average weekly hours fell 1.7. However, November's weekly hours reflected a modest gain over the year ago level. Residential construction activity provided much of the strength for this improvement. Weekly hours for residential construction in November actually climbed 2.4 while all other construction activity slipped still lower. Communications & Utilities posted a .6 increase in weekly hours as the start of the winter storm season translated into more hours of maintenance. Trade, both retail and wholesale, was affected by a wait-and-see position taken by most employers in preparation for the holiday season. As a result, weekly hours were well below last year's level (.9), following a .8 drop from October's level. Improvement in Trade may come in the form of increased hours at the expense of normal seasonal employment increases.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov.2/ 1982	Oct.3/ 1982	Nov. 1981	Nov.2/ 1982	Oct.3/ 1982	Nov. 1981	Nov.2/ 1982	Oct.3/ 1982	Oct. 1981
TOTAL MANUFACTURING 4/	$391.79	$377.13	$358.30	38.6	37.6	36.9	$10.15	$10.03	$9.71
Durable Goods	407.81	398.24	367.52	39.1	38.0	36.9	10.43	10.48	9.96
Lumber & Wood Products	417.98	400.60	357.76	39.1	37.3	34.7	10.69	10.74	10.31
Logging & Sawmills	448.81	440.07	333.29	39.3	38.3	35.1	11.42	11.49	10.92
Veneer & Plywood	416.70	385.19	347.81	39.2	36.1	33.9	10.63	10.67	10.26
Millwork & Struct Wood	309.70	282.41	295.24	38.0	36.3	35.4	8.15	7.78	8.34
Mobile Homes	301.93	283.27	212.52	37.6	34.8	28.0	8.03	8.14	7.59
Other Wood Products	403.00	379.34	340.03	38.9	37.3	35.2	10.36	10.17	9.66
Furniture & Fixtures	268.60	267.62	220.88	36.2	35.4	31.6	7.42	7.56	6.99
Primary Metals	515.39	485.59	477.82	42.7	38.6	40.7	12.07	12.58	11.74
Fabricated Metals	393.57	383.30	353.60	39.2	38.6	37.3	10.04	9.93	9.48
Machinery	397.62	403.48	384.38	37.3	38.1	38.4	10.66	10.59	10.01
Nondurable Goods	351.17	329.57	335.22	37.2	36.7	37.0	9.44	8.98	9.06
Food & Kindred Prod	303.03	270.33	288.81	37.0	35.9	35.7	8.19	7.53	8.09
Canning & Preserving	249.84	218.73	236.31	36.0	34.5	34.1	6.94	6.34	6.93
Other Food Products	401.31	394.97	374.57	39.0	39.3	38.3	10.29	10.05	9.78
Textile Mill Products	203.44	200.34	196.65	36.2	37.1	37.6	5.62	5.40	5.23
Apparel	182.86	184.73	180.64	33.8	34.4	35.7	5.41	5.37	5.06
Paper & Allied Products	504.11	520.66	477.93	39.6	40.9	40.4	12.73	12.73	11.83
Printing & Publishing	394.36	372.56	377.47	35.4	33.9	36.4	11.14	10.99	10 37
Construction 4/	530.02	549.79	511.27	32.9	34.6	32.4	16.11	15.89	15.78
Communications & Utilities 5/	449.99	438.08	430.44	39.3	38.7	40.8	11.45	11.32	10.55
Trade 5/	271.91	279.48	270.75	33.2	34.0	34.1	8.19	8.22	7.94
Wholesale Trade	361.38	369.27	364.42	36.8	37.3	38.0	9.82	9.90	9.59
Retail Trade	224.73	231.20	220.16	31.3	32.2	32.0	7.18	7.18	6.88
Banking & Insurance	247.19	241.31	229.55						
State & Local Government	304.15	306.39	290.44						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

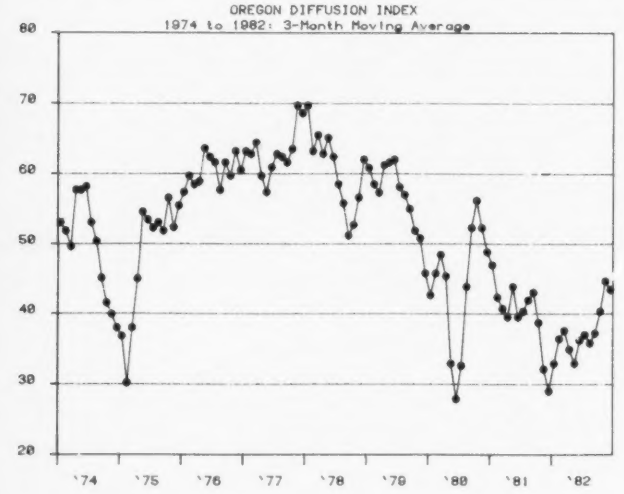
NOVEMBER-DECEMBER HIGHLIGHTS
RATE OF DECLINE SLOWED

Oregon's unemployment rate, adjusted to allow for normal seasonal variations, moved down to 12.0% in December from November's 12.5%. Meanwhile, the nation's unemployment rate inched up to a post-war high of 10.8 from 10.7% the month before.

For all of 1982, Oregon's jobless rate will average about 11.5%; the nation's 9.6%. Both rates are the highest since records began being kept in the 1940s.

Nonfarm wage and salary employment dropped 7,200 between November and December. The result was a slip of 0.4 in the seasonally adjusted nonagricultural wage and salary employment index. Although this is a decrease, it is less than last years November-December decrease and less than six out of the last 10 years.

The diffusion index followed suit with a slight drop to 43.4%. This small retreat from recent increases is not considered significant at this time. What is significant is this year began at just under 30% and proceeded to reach 44.6% in November, the highest level for 1982. Because the index is heavily weighted towards industries which traditionally lead changes in the economy, its recent strong performance may very well portend some economic revival.



Overall, employment changes between November and December held at about seasonally expected levels in most major industries. An exception to this trend was in the Trade sector where temporary hiring for the holidays fell 1,700 short of the hiring patterns established in years past. Although retail sales activity picked-up during the few days before Christmas, it was disappointingly slow during the survey week, the week of December 12 through 18. For what turned out to be a short buying season, merchants found it more cost efficient to extend the hours of current employes rather than to hire and train new workers.

A year ago comparison provides an even more gloomy picture with trade employment lagging 5,400 below December 1981. Unadjusted employment did rise a modest 1,600 over the month, but this was not enough to match normal expectations for the holiday season.

December was a good month for Plywood and Veneer where increased orders and expectations of a pick-up in housing activity spurred a jump of 300 jobs. Although employment in all of Lumber and Wood Products fell 900, employment actually went up 300 after adjustment for normal seasonal trends. The number of Lumber and Wood Products workers has been slowly gaining ground over the past year. December's 57,300 employment is 2,500 more than a year ago.

Employment in Food and Kindred Products fell 3,400 in December. After seasonal adjustment the drop was only 300. Turkey processing fell sharply as expected following the Thanksgiving holiday. The good news is that December 1982's employment was 300 higher than in December 1981.

Paper and Allied Products continued to fall (-200) with the problem of newsprint oversupply. Printing and Publishing fell 100 with the end of its busy holiday season.

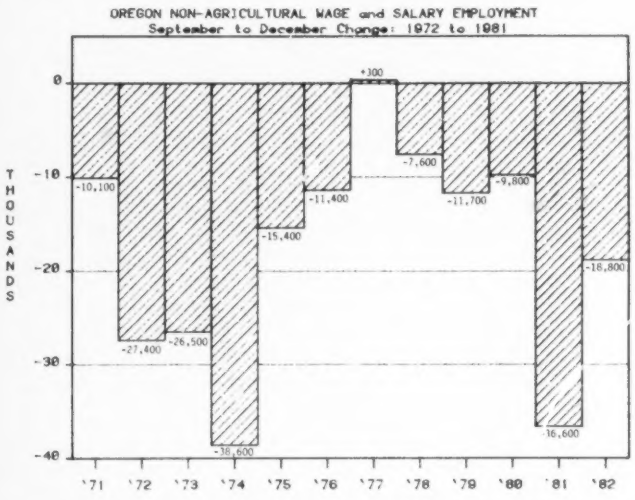
Heavy construction continued to nosedive, accounting for 1,300 of the 2,300 decline in total Construction employment. With employment losses exceeding normal levels, seasonally adjusted employment also fell 1,200. Completion of several small road construction projects accounted for much of the drop in Heavy Construction. Added to that was a lull in remodeling activity which added 700 to the overall decline. Employment in Construction has plummeted over 49% (25,900 jobs) since December 1979.

While employment in Finance, Insurance, and Real Estate remains well below year ago levels (-2,400), the steady decline was abated somewhat as Banking and Finance remained unchanged over the month. Real Estate slipped 100 but remains 600 ahead of last year.

In Services seasonally adjusted employment fell 700 for December; Health Services bore the brunt of the decline. Activity in health care facilities has been slipping as displaced employes lose health care benefits.

In spite of all the bad news, December's numbers may suggest some leveling off from the steady deterioration in unemployment since the onset of the recession. Employment, measured by the nonagricultural wage and salary series (the more consistent of the two employment series), shows a December 1982 decrease of 7,200 since November and 18,800 since September. In contrast, the decrease in 1981 was

13,700 and 36,600 respectively. The accompaning graph illustrates the three month change in employment in perspective with 10 prior years. The fact that the September-December 1982 drop is significantly less than that for 1981 is encouraging in itself, but the 1982 drop is also less than in 1974, 1973, and 1972.



Significant slowdown in the November-December employment drop has been linked to five major industry sectors:

Industry	November - December Change 1981	1982	difference
Lumber and Wood Products	-1,900	- 900	+1,000
Transportation Equip.	- 600	+ 700	+1,300
Transp., Comm., Util.	- 600	+ 100	+ 700
Trade	- 700	+1,600	+2,300
Government	-3,800	-2,100	+1,700
Total	-7,600	- 600	+7,000

In spite of these positive signs, it is too early to say this is evidence of an economic turnaround. In some cases the lack of employment loss may mean only that workers were not hired in the first place. Indeed, the jobless rate is expected to continue to rise in Oregon over the next several months. Because of winter slowdowns in agriculture, logging, tourism, and construction, January through March are the months of Oregon's highest unemployme

DATA FOR 1983 AFFIRMATIVE ACTION PROGRAMS

The Data for 1983 Affirmative Action Program booklets are being mailed to nearly 5,000 employers during January. Information contained in these annual publications is designed to assist employers establish affirmative action goals for women and people of ethnic or racial minority groups. Included are tables of population, labor force status, occupations of employed persons, and occupations of Employment Service applicants with job experience. The data is published as part of the national affirmative action labor market information program.

These data packets are available upon request for the State of Oregon and for each local labor market area. Limited data are also available for the cities of Portland, Salem, and Eugene.

For more information contact your local Employment Service labor economist or:

Employment Division R&S, LMI
875 Union St. N.E.
Salem, OR 97311
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OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

FEBRUARY 1983

JANUARY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Actual
Jan. '83	11.8	13.6
Dec. '82	12.0	12.3
U.S.		
Jan. '83	10.4	11.4
Dec. '82	10.8	10.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Jan. 1983:	101.5
Dec. 1982:	100.8
Jan. 1982:	104.4
Jan. 1981:	111.3
Jan. 1980:	113.7
Jan. 1979:	110.0

DIFFUSION INDEX

Oregon	
Jan. 1983:	47.3
Dec. 1982:	43.8
Nov. 1982:	44.6
Oct. 1982:	40.3

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Dec. 1982:	37.9
Nov. 1982:	38.3
Dec. 1981:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA	
Nov. 1982	285.6
Year Change	2.5%
U.S.	
Dec. 1982	292.4
Year Change	3.9%
Portland Hotline	221-4132

A MONTH OF HIGH UNEMPLOYMENT – AS EXPECTED

The thing to remember about Oregon's economy is that it is very seasonal. It is common for employment to vary by 60,000 from a January low to a September high. January through March are the months of highest unemployment because of winter slowdowns in agriculture, logging, construction, and tourism.

As expected, the number of persons working in January dropped while the number of persons not working increased. The direction of this movement is not to be blamed on the recession, but its magnitude is. The direction is due to Oregon's normal winter cycle but the all-time-record-high raw unemployment rate of 13.6% is a product of the state's long economic slide.

The number of unemployed persons in Oregon moved up 16,600 to 177,200 in January while the number employed dropped 19,300. By definition, the unemployed are those people age 16 and over who are without paid employment and who are looking and available for work. Included are not only those who are drawing unemployment insurance benefits but also those who fit the definition of unemployed but are not eligible for benefit payments. Persons not looking for work are not counted as unemployed.

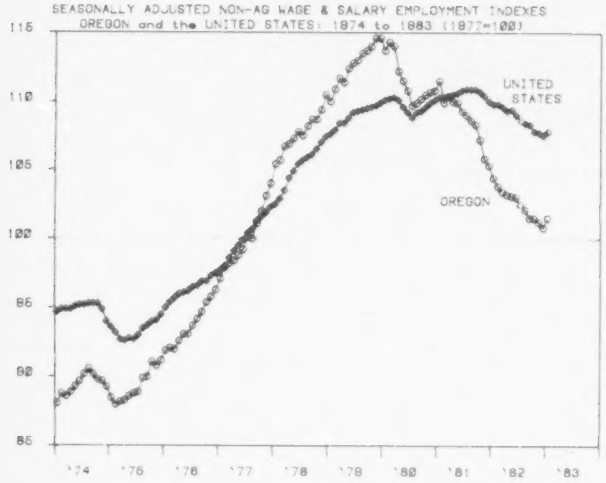
The state's seasonally adjusted unemployment rate dipped .2 to 11.8% in January from December's 12.0%. This indicates that January's increase in unemployment was not as great as normally experienced following the holiday season. This year there were two major departures from the usual seasonal patterns. Mild

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON and the UNITED STATES: 1974 to 1983

BEST AVAILABLE COPY

January weather allowed more outdoor work than usual and since Christmas season retail hiring was restrained this year, fewer workers than usual were pared last month.

Decreased seasonally adjusted unemployment is reflected in the nonagricultural wage and salary employment index. This good indicator of economic growth or decline moved up .7 to 101.5 (1977 = 100) in January. Part of this gain can be attributed to renewed activity in the state's lumber and wood products industry. However since this index is seasonally adjusted, part of the upturn is due to January's mild weather and the divergence from normal seasonal patterns in the Retail Trade and Services sectors.



The following table shows the actual December to January employment change compared to the normal seasonal trend in the major industry groups.

ACTUAL V.S. NORMALLY EXPECTED EMPLOYMENT CHANGE
DECEMBER 1982 - JANUARY 1983

	Actual Employment Change	Normal Seasonal Trend	Difference (Seasonally Adjusted Employment Change)
Lumber & Wood Products	- 200	- 1,800	+ 1,600
Other Durable Goods	- 2,200	- 900	- 1,300
Food & Kindred	- 2,100	- 1,300	- 800
Construction	- 1,500	- 3,200	+ 1,700
Transp., Comm., Util.	- 900	- 1,300	+ 400
Trade	-11,000	-12,200	+ 1,200
Finance, Ins., R.E.	- 100	- 1,100	+ 1,000
Services	- 600	- 3,100	+ 2,500
Government	- 1,600	- 900	- 700

A most positive note is the renewed activity in the Lumber and Wood Products sector. Not only did seasonally adjusted employment increase by 1,600 but employment was up a very real 4,400 jobs over a year ago. Retailers building inventories sparked a surge of new orders in early January. As a result, several mills were reopened and new shifts were added, countering the usually large January employment reductions. The drop of only 200 workers was 1,600 short of the normal loss of 1,800 during a typical January. This is the latest in a six month upward trend in Oregon's most basic industry.

Further optimism in Lumber and Wood Products is furnished by the industry itself. Not only have mills been reopened and new shifts added, but in John Day, construction of a $6.75 million sawmill will begin in March. These activities are certainly worthwhile to note as multi-million dollar decisions such as these do not come without some assurance of a market for their products.

In the other durable goods sectors, January's employment registered a decline of 2,200. The largest loss (-1,100) was in Transportation Equipment, more specifically ship repair, where large swings in employment are common. Machinery lost 400 employes from numerous layoffs. Repressed levels of machinery manufacturing are expected to continue until a strengthened economy increases demand for the upgrading and expansion of plants and equipment.

Food and Kindred Products needed 2,100 fewer workers in January. This drop is 800 more than normally expected. The major reason was decreased demand for the products.

Cooperative weather in January cushioned the employment drop in Construction so that it fell 1,700 less than normal. Even so, January's employment of 24,900 is the lowest since January 1971.

Major layoffs totaling over 800 workers in a large delivery service and a telephone company were the primary causes of January's drop of 900 jobs in Transportation, Communications, and Utilities. Although this was 400 less than usual, employment still remained 1,000 below January 1982.

A modest increase of 1,200 Trade employes was noted in the seasonally adjusted employment for January. Actual employment in Retail Trade fell 10,200 from December 1982 and Wholesale Trade fell 800. It is important to keep in mind that the seasonally adjusted increase was due, in large part, to far less holiday hiring in the previous months, therefore, fewer layoffs occurred after Christmas. Retail Trade remained 2,300 and Wholesale Trade 4,600 below January 1982.

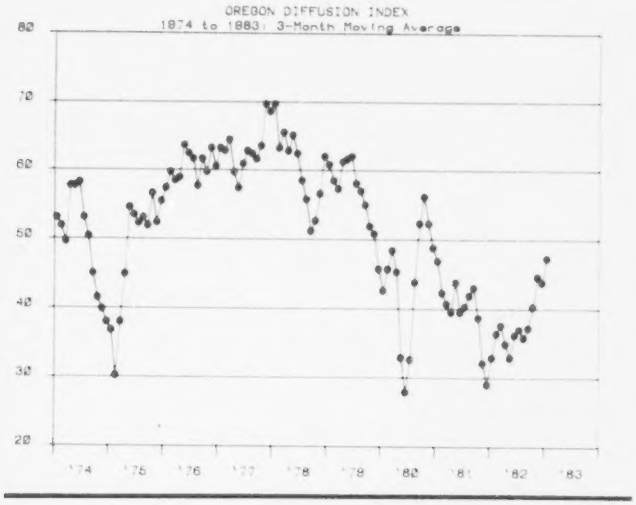
Employment activities in Services were led by an increase of 100 in Health Services and a loss of 400 in Hotels & Personal Services. Overall, employment decreased 600, or 2,500 less than normally expected. As in Trade, the seasonal expectation may be somewhat artificial due to less hiring for the holidays and therefore, fewer subsequent losses.

Even with additional Government employes required for the recently convened Oregon legislature, employment still fell 1,600, 700 more than usual in January. The Federal decline of 400 was due to seasonal layoffs in Forestry and the Postal Service. Part of State Government's gain was Local Government's loss. About 1,000 district and circuit court employes were converted to State Government from Local Government status. Other Local Government losses were pretty much across the board in Education and Local Administration.

Some good news is found in Oregon's Diffusion Index. This index of industry hiring experienced a

significant jump upward reaching 47.3 in January. This is the highest it has been since early 1981. Upward movement of this seasonally adjusted index for three or more consecutive months is considered a foreteller of more prosperous times ahead. The index which began 1982 at under 30% has risen to close to 50%. At 50%, half the 43 industries that comprise the index show seasonally adjusted gains while half decline. Look for this indicator to rise above 50% in the near future.

Even as the economy strengthens during this year, the jobless rate will remain high, perhaps even increasing. The expected slow pace of hiring won't be enough to absorb all the people likely to re-enter the labor market as job prospects improve.



NEW BASE PERIOD (1977 = 100)

One of the best, most reliable economic indicators available to us is the seasonally adjusted nonagricultural wage and salary employment index. The index very effectively complements the unemployment rates by showing the direction of state and national employment trends, as is shown in the graph on the facing page.

Construction of the index is a two-step process. Total nonagricultural employment is first seasonally adjusted, and then indexed to make state and national figures more readily comparable to each other. Indexing is simply the math jargon for dividing each of the figures by a selected annual average employment number.

Until now the year 1972 (1972=100) has been used as the base period - the reference point. Periodic updating of the base period is helpful to better portray the current economic climate. Effective with this publication the base period is being moved up to 1977 (1977=100).

Some data users may want to convert the earlier index figures from the 1972 to the 1977 base period. To do so simply multiply the earlier Oregon numbers by a factor of .8264, which is the 1972 annual average nonagricultural wage and salary employment divided by the 1977 annual average.

Wage and salary employment indexes for each of Oregon's 32 labor market areas will also be converted to the new 1977 = 100 base period over the next couple of months as area benchmark employment revisions are completed.□

THE 1982 BENCHMARK REVISIONS

The annual benchmark revision process is upon us. Data on pages 4 and 5 are adjusted to the new (1982) benchmark. The revised 1981 and 1982 tables will be inserted in next month's publication or they are available upon request if needed earlier.

Employment benchmarking is a part of a continuing process aimed at providing the most accurate count of employment. Earlier estimates, based on data supplied by a selected sample of employers (about 4,000), are replaced with more complete information compiled from employers covered by the unemployment insurance (UI) program (nearly 70,000). Added to the "covered" counts are updated estimates for workers not covered by unemployment insurance.

According to Webster a benchmark is a "point of reference in measuring or judging quality..." As it applies to labor market information, benchmarking can provide the foundation for an evaluation of performance in employment estimating.

So, what does the record show? Basically, a credible job. Generally the earlier estimates slightly overstated the actual employment totals. That is, the recession lowered the job count a bit more than the original estimates showed. In December 1982, for example, we originally estimated nonfarm employment at 956,500. The revision reduced that total by 7/10 of 1% to 950,200. The table that follows shows the amount of revision in the major industrial sectors.

December 1982 Nonfarm Employment

	Original ('81 BM)	Revised ('82 BM)	Change
Total Nonfarm	956,500	950,200	-6,300
Manufacturing	183,300	180,000	-3,300
Lumber & Wood	57,300	56,300	-1,000
Other Mfg.	126,000	123,700	-2,300
Nonmanufacturing	773,200	770,200	-3,000
Mining & Quarrying	1,400	1,200	- 200
Construction	26,600	26,400	- 200
Trans., Comm., Util.	56,400	56,700	300
Trade	246,800	242,100	-4,700
Fin., Ins., R.E.	63,500	63,800	300
Services	182,800	184,400	1,600
Government	195,700	195,600	- 100

RESIDENT OREGON LABOR FORCE

	Jan. 1983 1/	Dec. 1982 2/	Change	% Change	Jan. 1982 5/
Civilian Labor Force 3/	1,307,000	1,309,700	- 2,700	- 0.2	1,297,800
Unemployment	177,200	160,600	+16,600	+10.3	164,200
Percent of Labor Force	13.6	12.3	xxx	xxx	12.7
Seasonally Adjusted Percent	11.8	12.0	xxx	xxx	11.1
Total Employment 4/	1,129,800	1,149,100	-19,300	- 1.7	1,133,600

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1983 1/	Dec. 1982 2/	Jan. 1982	Change From Dec. 1982	Change From Jan. 1982
TOTAL 3/	929,600	950,200	957,600	-20,600	-28,000
Wage & Salary Employment Index 4/	101.5	100.8	104.4	xxx	xxx
Diffusion Index 5/	47.3	43.8	32.9	xxx	xxx
Total Manufacturing	175,300	180,000	182,700	- 4,700	- 7,400
Durable Goods	126,200	128,600	132,800	- 2,400	- 6,600
Lumber & Wood Products	56,100	56,300	51,700	- 200	4,400
Logging & Sawmills	28,200	28,400	25,900	- 200	2,300
Veneer & Plywood	17,800	17,800	16,200	0	1,600
Millwork & Structural Wood	5,400	5,600	5,000	- 200	400
Mobile Homes	1,500	1,400	1,300	100	200
Other Wood Products	3,200	3,100	3,300	100	- 100
Furniture & Fixtures	2,500	2,500	2,200	0	300
Stone, Clay, Glass, & Concrete	2,800	3,000	3,100	- 200	- 300
Primary Metals	6,900	7,000	9,200	- 100	- 2,300
Blast Furnaces, Iron & Steel	3,800	3,900	5,100	- 100	- 1,300
Nonferrous Metals	3,100	3,100	4,100	0	- 1,000
Fabricated Metals	8,800	8,900	10,400	- 100	- 1,600
Fabricated Structural Metals	3,500	3,700	4,100	- 200	- 600
Other Fabricated Metals	5,300	5,200	6,300	100	- 1,000
Machinery	14,700	15,100	17,400	- 400	- 2,700
Electrical Equipment & Supplies	9,300	9,400	10,000	- 100	- 700
Transportation Equipment	7,100	8,200	8,100	- 1,100	- 1,000
Instruments & Related Products	15,900	15,900	18,200	0	- 2,300
Miscellaneous Manufacturing	2,100	2,300	2,500	- 200	- 400
Nondurable Goods	49,100	51,400	49,900	- 2,300	- 800
Food & Kindred Products	20,100	22,200	20,300	- 2,100	- 200
Canning & Preserving	10,100	11,900	10,100	- 1,800	0
Other Food Products	10,000	10,300	10,200	- 300	- 200
Textile Mill Products	1,600	1,800	1,700	- 200	- 100
Apparel	2,700	2,600	2,700	100	0
Paper & Allied Products	9,400	9,500	10,000	- 100	- 600
Printing & Publishing	10,200	10,100	10,100	100	100
Chemicals & Allied Products	2,000	2,100	2,100	- 100	- 100
Petroleum Refining	400	400	500	0	- 100
Rubber & Plastic Products	2,400	2,400	2,200	0	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1983	Dec. 1982	Jan. 1982	Change From Dec. 1982	Change From Jan. 1982
(cont.)					
Total Nonmanufacturing	754,300	770,200	774,900	-15,900	-20,600
Mining & Quarrying	1,000	1,200	1,800	- 200	- 800
Construction	24,900	26,400	27,300	- 1,500	- 2,400
Transportation, Communications, & Utilities	55,800	56,700	56,800	- 900	- 1,000
Transportation	31,700	32,300	31,600	- 600	100
Railroad	5,500	5,700	6,300	- 200	- 800
Trucking & Warehousing	16,300	16,700	15,200	- 400	1,100
Other Transportation	9,900	9,900	10,100	0	- 200
Communications	15,100	15,400	16,200	- 300	- 1,100
Utilities	9,000	9,000	9,000	0	0
Trade	231,100	242,100	238,000	-11,000	- 6,900
Wholesale Trade	58,700	59,500	63,300	- 800	- 4,600
Durable Goods	34,500	35,000	38,400	- 500	- 3,900
Nondurable Goods	24,200	24,500	24,900	- 300	- 700
Retail Trade	172,400	182,600	174,700	-10,200	- 2,300
General Merchandise	24,500	27,100	24,700	- 2,600	- 200
Food Stores	26,100	27,800	26,100	- 1,700	0
Auto Dealers & Service Stations	20,800	21,100	21,100	- 300	- 300
Other Retail Trade	101,000	106,600	102,800	- 5,600	- 1,800
Finance, Insurance, & Real Estate	63,700	63,800	65,300	- 100	- 1,600
Banking & Credit Agencies	23,300	23,300	24,400	0	- 1,100
Other Finance, Insurance, & Real Estate	40,400	40,500	40,900	- 100	- 500
Services	183,800	184,400	186,100	- 600	- 2,300
Hotels & Personal Services	20,700	21,100	22,800	- 400	- 2,100
Health Services	65,000	64,900	64,700	100	300
Other Services	98,100	98,400	98,600	- 300	- 500
Government	194,000	195,600	199,600	- 1,600	- 5,600
Federal Government	28,500	28,900	27,400	- 400	1,100
State Government	52,400	50,500	51,500	1,900	900
Education	22,500	22,200	22,500	300	0
Other State	29,900	28,300	29,000	1,600	900
Local Government	113,100	116,200	120,700	- 3,100	- 7,600
Education	71,600	72,700	76,700	- 1,100	- 5,100
Other Local	41,500	43,500	44,000	- 2,000	- 2,500
Labor-Management Disputes	0	0	100	0	- 100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS AND EARNINGS – MIXED MESSAGES

Mixed messages were the findings for December Hours and Earnings. Manufacturing industries gained .7 hour per week over the December 1981 level, a principal outcome of Lumber & Wood Products market improvements during that time period. However, the workweek average dropped .4 hours between November 1982 and December 1982. Average hourly earnings rose $.24 in December, the result of a sizable reduction in the number of Nondurable Goods production workers and December 24th holiday payments by a significant number of firms. Elsewhere, the so-called "recession proof" industries such as electronics were being suppressed with layoffs and hiring freezes.

MANUFACTURING:

Lumber & Wood Products appeared to make inroads toward better economic health in December. Although weekly hours fell by .2 hours, production worker employment fell less than 100. Both the reopening of mills and improving market conditions contributed to a good month for Veneer & Plywood with a resultant increase of 600 employes. Improved prices for plywood and depleted inventories were cited as contributing factors. As with much good news, there is often some bad, and it was in the area of Mobile Homes. Weekly earnings fell $29.36 as one firm experienced a temporary closure, causing a reduction of 200 production workers and a drop of 2.7 hours in the workweek average. Optimism remains high (although tempered with prudence) within the Lumber & Wood Products industry that an upswing is in progress and that the industry is expected to make a reasonable showing in 1983.

Other Durable Goods manufacturers reported a combination of ups and downs with Furniture & Fixtures not only giving up the gain made between October and November but falling to its lowest average weekly hours since May 1982, and its lowest average hourly earnings since December 1981. In response to market conditions, partial closures and reduced

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec.2/ 1982	Nov.3/ 1982	Dec. 1981	Dec.2/ 1982	Nov.3/ 1982	Dec. 1981	Dec.2/ 1982	Nov.3/ 1982	Dec. 1981
TOTAL MANUFACTURING 4/	$393.40	$388.36	$363.82	37.9	38.3	37.2	$10.38	$10.14	$9.78
Durable Goods	408.00	407.81	368.89	38.6	39.1	37.0	10.57	10.43	9.97
Lumber & Wood Products	416.62	417.98	368.14	38.9	39.1	35.5	10.71	10.69	10.37
Logging & Sawmills	447.33	448.81	394.80	39.0	39.3	35.6	11.47	11.42	11.09
Veneer & Plywood	419.63	416.70	369.00	39.7	39.2	36.0	10.57	10.63	10.25
Millwork & Struct Wood	308.47	309.70	287.45	37.3	38.0	35.4	8.27	8.15	8.12
Mobile Homes	272.57	301.93	231.42	34.9	37.6	28.5	7.81	8.03	8.12
Other Wood Products	406.11	403.00	350.05	39.2	38.9	36.2	10.36	10.36	9.67
Furniture & Fixtures	232.98	261.36	202.08	33.0	36.0	29.5	7.06	7.26	6.85
Primary Metals	489.16	515.39	479.23	40.9	42.7	41.1	11.96	12.07	11.66
Fabricated Metals	409.36	393.57	372.02	41.1	39.2	38.0	9.96	10.04	9.79
Machinery	399.48	397.62	378.49	37.3	37.3	37.4	10.71	10.66	10.12
Nondurable Goods	357.56	343.83	352.09	36.3	36.5	37.9	9.85	9.42	9.29
Food & Kindred Prod	292.92	291.56	310.34	33.4	35.6	37.3	8.77	8.19	8.32
Canning & Preserving	220.08	234.59	254.54	29.7	33.9	35.8	7.41	6.92	7.11
Other Food Products	408.33	401.06	385.14	39.3	38.9	39.3	10.39	10.31	9.80
Textile Mill Products	208.58	203.44	201.08	35.9	36.2	38.3	5.81	5.62	5.25
Apparel	214.18	182.86	184.83	38.8	33.8	36.1	5.52	5.41	5.12
Paper & Allied Products	551.17	504.11	501.03	42.3	39.6	40.9	13.03	12.73	12.25
Printing & Publishing	387.24	394.36	377.25	35.3	35.4	36.1	10.97	11.14	10.45
Construction 4/	519.17	530.02	512.85	31.2	32.9	32.5	16.64	16.11	15.78
Communications & Utilities 5/	457.41	449.99	412.11	39.5	39.3	38.3	11.58	11.45	10.76
Trade 5/	275.31	271.91	270.31	34.5	33.2	34.7	7.98	8.19	7.79
Wholesale Trade	359.78	361.38	356.45	36.9	36.8	37.8	9.75	9.82	9.43
Retail Trade	233.43	224.73	224.07	33.3	31.3	33.0	7.01	7.18	6.79
Banking & Insurance	252.10	247.19	233.24						
State & Local Government	311.90	304.15	288.32						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Primary Metals lost 1.8 hours in the workweek average and $.11 an hour as mixed market conditions had varied effects on the industry. Some firms reported returns from layoff and others reduced hours or entered into layoffs. Continued increases in the price of energy will undoubtedly have a negative effect on this industry. Fabricated Metals also experienced varied reactions to the market although more upbeat than Primary Metals; production worker employment rose over 100 for December and average weekly hours rose 1.9. A modest $.08 drop in hourly earnings was a function of wage rate reductions by several firms. On the surface Machinery appears to be holding its own, but in reality production worker counts dropped 300 since November and were 1,800 below the year ago level with no immediate turnaround in sight. To make matters even worse, the announced closure of Hyster's Portland plant within the near future will result in the loss of another 300 jobs.

Average hourly earnings for Nondurable Goods rose $.43 in December. This was a result of an increase in the proportion of higher paid employes in Canning & Preserving due to declines in the number of lower paid seasonal workers. Average weekly hours for Nondurable Goods dropped a modest .2. Increased business activity brought the largest shift in Apparel with a 5.0 increase in average weekly hours. Food & Kindred Products lost 2.2 hours per week with the continuing seasonal slowdown of Canning & Preserving. A return from a mechanical failure shutdown in one large paper plant and seasonal maintenance shutdowns in several others prompted an increase in overtime hours in December for Paper & Allied Products, driving average weekly hours up 2.7 and average hourly earnings up $.30 an hour.

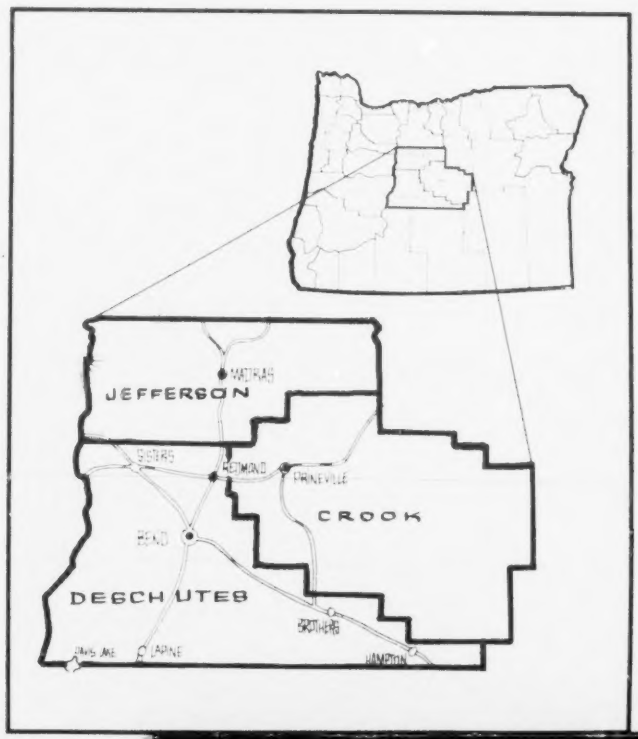
NONMANUFACTURING

Oregon's Construction sector struggled in December. Production worker employment in Heavy Construction fell 1,700, dropping 6,300 below the year ago figure. The decreasing number of production workers boosted the ratio of higher paid employes with a resultant rise in average hourly earnings. Also adding to the rise was double-time pay for "special projects" work. Employers in Retail Trade hesitant to hire their usual level of additional holiday staff due to economic uncertainties, extended hours thereby boosting weekly hours by 2.0 over November. Trade's December performance was a testimonial that the "wait and see" position ended with a "wait".□

CENTRAL OREGON PROFILE

This region, in the geographic center of Oregon, is comprised of three counties, Crook, Deschutes and Jefferson with a 1982 population of 89,475. In this relatively sparsely populated area, 3.4% of Oregon's population occupies 8.1% of the state's total land area. Its major population center, Bend (1982 pop. = 17,800) is Oregon's largest city east of the Cascade Mountains.

Because Crook County is geared to lumber and wood products and agriculture, its economy has suffered more severely from the recession than most. Unemployment rates reached over 20% during the winter of 1981-82. Although a dramatic improvement in lumber and wood products employment has occurred in recent months, unemployment rates are still above the state average. Prineville, the county's only incorporated community, is headquarters for the Ochoco National Forest, as well as regional Bureau of Land Management and state forestry offices. A past source of reliable employment, budgetary cutbacks are increasingly affecting government employment, adding to local economic problems. Economic plusses for the county are a stable agricultural sector and the growing popularity of neighboring reservoirs and the Ochoco mountains with summer recreationists. Also, Prineville is headquarters for the northwest's largest independent tire dealer, the Les Schwab Company.



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TAKE A TWO MINUTE TAX BREAK!

An Eighty-five percent (85%) tax credit will soon be available to Oregon employers, thanks to the Targeted Jobs Tax Credit Program (TJTC)! A new target group has been added to the program, called "Disadvantaged Summer Youth." In concept, the incentive is the same as with all other target groups. Employers who hire and pay wages to certified target group members will be eligible to claim part of those wages as a tax credit. The structure of the tax credit is changed, however, to acknowledge the short-term nature of summer jobs.

A "Disadvantaged Summer Youth" is any individual who, on the hiring date:

1. Is being hired by the employer for the first time, and
2. Is hired between May 1, 1983 and September 15, 1983, and
3. Is at least 16 years of age but not yet 18 years of age, and
4. Is a member of an economically disadvantaged family, and
5. Is not related to the employer.

Computation of the tax credit follows a different formula for this target group. During any 90 consecutive day period between May 1, 1983 and September 15, 1983, 85% of the first $3,000 in qualified wages paid to the employee may be claimed as a tax credit. Thus, the maximum potential tax credit is $2,550 ($3,000 x 85%). Since the dollar amount claimed as a tax credit cannot also be claimed as a business expense deduction, an employer's net savings reflect the gross tax credit reduced by the percentage of the employer's tax rate.

The chart below shows the potential tax savings available to employers for each Disadvantaged Summer Youth who earns the maximum tax credit.

TJTC NET TAX SAVINGS
ONE TJTC SUMMER YOUTH EMPLOYEE

CALCULATE THE ANTICIPATED NET TAX SAVINGS
PER ELIGIBLE EMPLOYEE AT VARIOUS TAX RATES

	@14%	@17%	@20%	@25%	@30%	@35%	@40%	@46%	@50%
1st YEAR									
TJTC	2550	2550	2550	2550	2550	2550	2550	2550	2550
TAX RATE	14%	17%	20%	25%	30%	35%	40%	46%	50%
BUS. EXP. REDUCTION	-357	-435	-510	-638	-765	-892	-1020	-1173	-1275
NET TAX SAVINGS	2193	2117	2040	1913	1785	1658	1530	1377	1275

As with other target groups, a critical time element exists. Employers must request the TJTC certification in writing on or before the day the youth starts work. This can be facilitated by any of the agencies working with the Targeted Jobs Tax Credit Program.

There is another major benefit available to employers. Certified summer youth who are retained by the employer after September 15 may also qualify for one of the other eight target groups. This means the employer can potentially claim tax credits of 50% of the balance of the first $6,000 for the first year and 25% of the first $6,000 for the second year of employment.

For more information, contact the nearest Oregon State Employment Division office or call toll-free 1-800-452-7813, extension 8-4390.

experienced the most rapid population growth of any Oregon county, exceeding 100 percent. While manufacturing employment, particularly in lumber remanufacture such as millwork, plywood and particleboard, expanded significantly, it was the spectacular growth in popularity of the Bend area as a year-round recreation and retirement mecca that was the principal spur to economic and population growth. The key to this development was the establishment and continuing expansion of the Mt. Bachelor Ski Area. This added another dimension to the area's recreation potential, whose mountains, lakes and streams and pleasant climate have always been popular with summer vacationists. Development of large resorts rapidly become an economically attractive option. The recreation/retirement boom and related construction provided jobs for the rapidly growing resident population, which in turn boosted residential and commercial construction. The onset of the current recession saw severe cutbacks in forest products and construction employment. Although population growth now appears to have leveled off, the initial phase of the recession saw a continued influx of population, which further boosted unemployment levels. The area's liveability and recreational opportunity remain a positive economic asset. Nearby Redmond will also experience a growth phase as the recently established Tektronics plant expands employment over the next several years. Growth potential for Deschutes County during the latter half of the 1980's remains among the highest for any Oregon county.

Jefferson County has experienced only limited effects from the current recession partly due to its balanced economy of agriculture, manufacturing and recreation. However, credit for economic stability rests primarily with the county's largest employer, the Warm Springs Tribes. Warm Springs Forest Products, which is tribally owned, has maintained near-normal levels of employment as the result of its development of the Kah-Nee-Ta resort complex (located in neighboring Wasco County, but primarily employing Jefferson residents) has boosted services employment in recent years. Besides forest products, manufacturing is varied, including french fries, boats, agricultural machinery, golf equipment, labels and radiation shielding. Agricultural production is also varied, including mint, potatoes, hay, grain, seed and livestock. Madras, located at the junction of U.S. highways 97 and 26, has benefited from growing traffic volume through the expansion of trade and service business serving the highway traveler.□

NEW LABOR SURPLUS AREAS DESIGNATED

The following areas have been added to the list of "labor surplus areas" by the U.S. Department of Labor.

Balance of Clackamas County
Portland City
Umatilla County
Yamhill County

These new classifications were effective February 1, 1983.

Employers located in labor surplus areas are eligible for preference in bidding on certain federal contracts. For further information contact:

Business Services Center
General Services Administration
440 Federal Bldg.
915 Second Ave.
Seattle WA 98174
Phone: (206) 442-5556

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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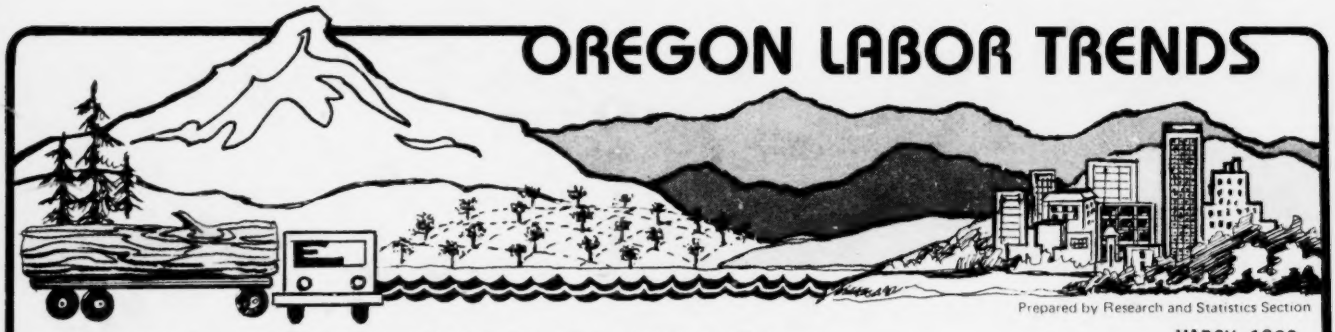


OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

MARCH 1983

FEBRUARY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Actual
Feb. '83	11.5	13.1
Jan. '83	11.9	13.5
U.S.		
Feb. '83	10.4	11.3
Jan. '83	10.4	11.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Feb. 1983:	101.6
Jan. 1983:	101.7
Feb. 1982:	103.8
Feb. 1981:	109.9
Feb. 1980:	114.3
Feb. 1979:	110.9

DIFFUSION INDEX

Oregon	
Feb. 1983:	45.3
Jan. 1983:	44.2
Dec. 1982:	43.8
Nov. 1982:	44.6

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Jan. 1983:	38.1
Dec. 1982:	37.9
Jan. 1982:	37.5

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA	
Jan. 1983	286.6
Year Change	- 0.6%
U.S.	
Feb. 1983	293.2
Year Change	3.5%
Portland Hotline	221-4132

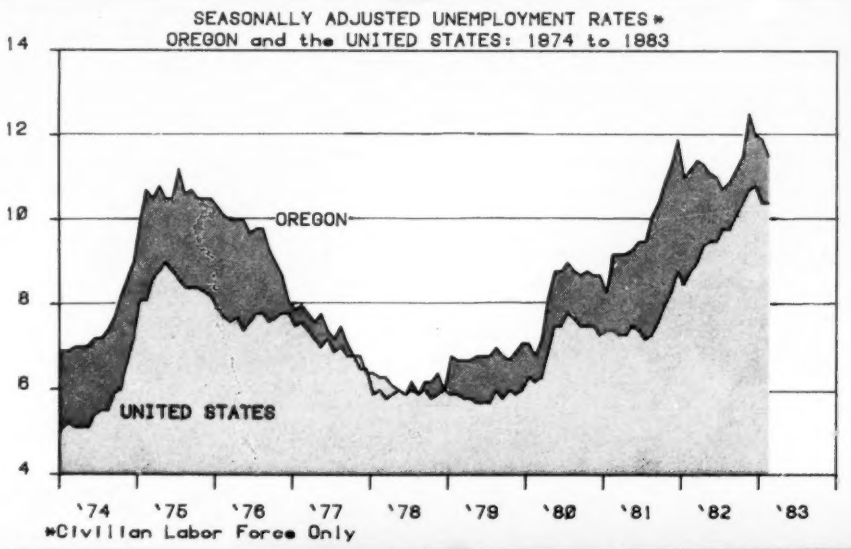
A POSITIVE REPORT

Oregon's February jobless report is basically positive and consistent with other good economic news. The actual count of unemployed job seekers showed a reduction of 4,500 in February while total employment climbed 12,800.

Oregon's seasonally adjusted unemployment rate fell to 11.5% from January's 11.9%, a stronger than normal decrease for a February. Seasonal adjustment minimizes changes due to normal annual occurrences such as changes in the weather, crop maturation, and holiday buying patterns. After seasonal adjustment any differences should then be due to economic trends or to unusual occurrences.

The nonagricultural wage and salary employment index, one of the best overall measures of the state's economic growth or decline showed little change. February's index of 101.6 (1977=100) was just marginally below the 101.7 for January but is still 0.7 above December's 100.8. Part of February's decline must be pinned on January's mild weather which encouraged more activity than normal during the first month of the year. January also looked especially good because the lack of hiring for the holidays caused less reduction during January.

Positive news came from Oregon's diffusion index, a leading economic indicator, which increased again for the seventh time in the last nine months. The index which began 1982 at under 30% has risen to 45.3% in February. When this index reaches



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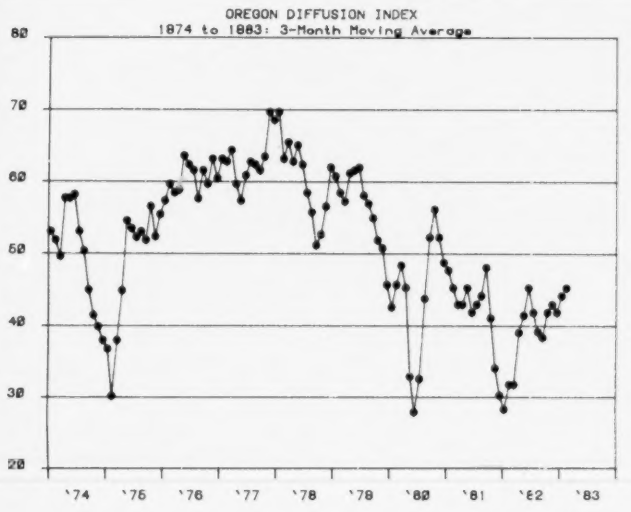
50%, as it is expected to within the next few months, half of the 43 industries that comprise this index will show seasonally adjusted employment gains.



The most encouraging news comes from Lumber and Wood Products which increased 1,800 over January and 5,500 from a year ago. The combination of reduced interest rates, hopeful signs of recovery in the U.S. housing industry, plus depleted inventories has resulted in renewed activity in the Oregon lumber industry.

U.S. housing starts in February rose to a seasonally adjusted annual rate of 1,756,000 units. February's level, which marked the fifth rise in six months, was the highest number of starts since September 1979 and was 93% above the year-earlier rate of 911,000 units. This increase was attributed to lower interest rates and increased optimism among home builders that home sales would continue to pick up in coming months.

The following table shows the actual January to February employment change compared to the normal seasonal trend in the major industry groups.

ACTUAL vs NORMALLY EXPECTED EMPLOYMENT CHANGE
January 1983 - February 1983

	Actual Feb. '83 Change	Normal Feb. Change	Difference (Seasonally Adjusted Employment Change)
Lumber & Wood Products	+1,800	+ 500	+1,300
Other Durable Goods	- 700	- 100	- 600
Food & Kindred	+ 500	- 100	+ 600
Other Nondurable Goods	- 200	- 200	0
Construction	-1,800	+ 600	-2,400
Transp., Comm., Util.	+ 200	0	+ 200
Trade	- 200	-2,200	+2,000
Finance, Ins., R.E.	- 300	0	- 300
Services	+ 700	+2,000	-1,300
Government	+1,800	+2,300	- 500

Other Durable Goods employment registered a seasonally adjusted decline of 600 in February. Continued layoffs in ship repair and a cutback in instrument manufacturing prompted most of the drop. While "high-tech" has provided some stability to the economic storms of the past three years, it is not a cure-all for Oregon's joblessness. Stiff competition at home and abroad has required Oregon's electronic stalwarts to hold the line on production costs, of which labor plays a big part. For the metals industry, a host of uncertainties were affecting employment needs. Chief among these was the prospect of higher energy costs on top of previous increases. Current employment for Primary and Fabricated Metals was 3,700 below year ago levels.

Employment in Construction reflected the lack of Oregon housing demand and a slowdown in other construction by dropping 1,800 over the month and 3,700 since February 1982. One must go back to 1962 to find a February with fewer construction workers employed in Oregon. In 1962, construction workers made up 4.1% of total nonfarm wage and salary employment while in 1983 they could garner only 2.5%.

February employment climbed 500 in Food & Kindred Products for a seasonally adjusted gain of 600. Canning & Preserving led the way with a 400 increase due to repack and maintenance activities.

Imbalance in supply and demand still hampered Paper & Allied Products. The world glut of newsprint appeared to be lessening but tight inventory controls kept employment needs suppressed. Employment was down 600 from a year ago.

A 400 increase in Trucking & Warehousing employment offset smaller losses elsewhere in Transportation to contribute to a seasonally adjusted gain of 200. Much of the improvement was due to increased transportation needs of the Lumber and Wood Products industry.

Seasonally adjusted Trade employment climbed 2,000 over the month due to fewer than normal layoffs in Retail Trade and a flicker of activity in Wholesale Trade. Fewer than normal layoffs occurred in February largely because there were fewer hires during the holidays. After steady declines in Wholesale Trade, February's turnaround was largely due to wholesalers reacting to the upbeat activity in building products.

Closure of recession weakened real estate offices and mergers of financial institutions left 300 without jobs in Finance, Insurance, and Real Estate.

Employment gains in amusements, private education, and misc. business services were the primary causes of the 800 gain in Other Services. However these pluses as well as a modest decline (-100) in Health Services failed to match normal expectations. Seasonally adjusted employment fell 1,300.

In Government, employment gained 1,800 over the month but was 3,100 less than a year ago. Seasonally adjusted employment fell 500. Local Government, with all their budget problems, had 5,300 fewer employes than last year. Even with the shift of 1,000 district and circuit court employes to State Government status and with the legislature in session, year ago comparisons show only a 700 gain.

Analysts remain optimistic for the remainder of the 1980s. Once the mud is scraped off our boots we're going to be in for an exciting period of economic progress.

Our optimism is based on a number of favorable trends. One of the most important is that the nation is now experiencing inflation rates lower than anybody hoped for just a year ago. Many people do not realize the long strides that have been taken in coming to grips with one of the major sources of inflation in the 1970s - the huge increase in oil prices. The tight grip OPEC had on the world has lessened substantially. OPEC once controlled over half the world oil market, but it now supplies less than one third - and at lower prices than last year. Mexico, a non-OPEC country has become the U.S.'s principal foreign supplier. Also, the per capita consumption of oil is decreasing - largely due to conservation. The switch to fuel-efficient cars and mass transit is paying dividends and will do so even more as the inefficient autos built in the mid 1970s are scrapped. Conservation is also paying off from the development of more energy-efficient homes, factories, and manufacturing equipment.

Declining birth rates of the 1960s means the labor force will grow more slowly during the 1980s. This decline in the number of new workers and the tendency toward more nonwork time will help take the sharp edge off the large inroads made by automation during the last few years. The combination of a more experienced workforce and automation should increase productivity, thus boosting real wages, easing pressure on prices, and widening profit margins.

While Oregon will share in the good times she may be late to the party if interest rates do not continue to recede. Don't get too excited about the current upblip in housing. Even at January's 1.7 million level, activity is still less than the late 1970s when nearly two million homes a year for a number of years were started. Moreover, current mortgage rates are still high by historical standards. There is some, but only a little long term demand for housing at the current 12-13% rates where monthly payments on a modest $40,000 loan may take $500 or more a month for 30 years out of the family budget for principle, interest, and taxes.

The biggest overall danger to a housing recovery is the looming threat of enormous federal deficits this year and beyond. Such huge borrowing by the government is apt to keep interest rates high and could push them back up to earlier levels.

Oregon has another problem in its housing industry, unique to states with high in-migration during the 1970s and current high unemployment. For the long term unemployed, once the savings are depleted, and the unemployment insurance runs dry, families are forced into a critical reevaluation of their situation. Many decide to leave the state to go where there may be jobs and/or family for support. They leave behind a surplus of housing, either for sale or for rent, which depresses real estate prices and stifles demand for new housing. It is clear that the revival of Oregon's Lumber and Wood Products industry must find its start in the good fortunes of the rest of the nation.□

HOURS AND EARNINGS – BETTER TIMES AHEAD

At the national level, signs of recovery are beginning to appear. Declining energy costs and interest rates are making substantial inroads toward the prospect of better times. However, the flow of optimism has not spread evenly to all sectors of the economy. For many areas of the country the turnaround is well on its way, while others may never fully recover due to long term structural changes. The seasonal nature of Oregon's economy, interest rate trends, as well as competition and trade in foreign and domestic markets will determine the strength and direction of Oregon's recovery.

MANUFACTURING

A 6,800 drop in production worker employment for total manufacturing during January highlights the combined effects of a divergent recovery, not equally shared by all, and the seasonal forces at work in Oregon's economy. These two factors are seemingly tugging in opposite directions on hours and earnings. Absent for January was holiday pay premiums which had boosted hourly earnings for December; as a result, earnings fell by $.07. Production worker losses were fairly evenly split between Durable (3,300) and Nondurable Goods (3,500), yet improving economic conditions helped to overcome normal seasonal expectations to post a modest .2 increase in weekly hours.

A nationwide pick-up in orders for wood products has stimulated Oregon's Lumber & Wood Products industry. As a result, instead of the expected seasonal decline, average weekly hours remained unchanged for January and were 2.7 higher than year ago levels. Likewise, production worker employment climbed 3,900 over year ago levels. Logging & Sawmill employers reported a .8 improvement in weekly hours, while Veneer & Plywood responded with a $.19 increase in hourly earnings because of overtime worked. With inventories cut to the bone, even the slightest increase in demand has created spot shortages in materials. As the market struggles to maintain some sort of equalibrium between supply and demand, price volatility will be an important factor in determining the course of any sustained improvements.

Other Durable Goods produced little in the way of encouragement. Furniture & Fixtures weekly earnings (228.62) fell to its lowest level since April 1982, in response to the continued erosion of market conditions. Elsewhere in Other Durable Goods, extremely low levels of production are expected to continue until the economy recovers sufficiently to begin upgrading and expanding plants and equipment.

RESIDENT OREGON LABOR FORCE

	Feb. 1983 1/	Jan. 1983 2/	Change	% Change	Feb. 1982 5/
Civilian Labor Force 3/	1,317,000	1,308,700	+ 8,300	+0.6	1,304,500
Unemployment	172,300	176,800	- 4,500	-2.6	168,000
Percent of Labor Force	13.1	13.5	xxx	xxx	12.9
Seasonally Adjusted Percent	11.5	11.9	xxx	xxx	11.4
Total Employment 4/	1,144,700	1,131,900	+12,800	+1.1	1,136,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Feb. 1983 1/	Jan. 1983 2/	Feb. 1982	Change From Jan. 1983	Change From Feb. 1982
TOTAL 3/	933,700	931,800	953,800	1,900	-20,100
Wage & Salary Employment Index 4/	101.6	101.7	103.8	xxx	xxx
Diffusion Index 5/	45.3	44.2	31.8	xxx	xxx
Total Manufacturing	176,600	175,200	181,600	1,400	- 5,000
Durable Goods	127,300	126,200	131,900	1,100	- 4,600
Lumber & Wood Products	57,900	56,100	52,400	1,800	5,500
Logging & Sawmills	29,000	28,400	26,800	600	2,200
Veneer & Plywood	18,300	17,500	16,100	800	2,200
Millwork & Structural Wood	6,000	5,600	4,900	400	1,100
Mobile Homes	1,500	1,500	1,400	0	100
Other Wood Products	3,100	3,100	3,200	0	- 100
Furniture & Fixtures	2,500	2,500	2,100	0	400
Stone, Clay, Glass, & Concrete	2,900	2,900	3,100	0	- 200
Primary Metals	7,000	7,000	9,200	0	- 2,200
Blast Furnaces, Iron & Steel	3,800	3,800	5,100	0	- 1,300
Nonferrous Metals	3,200	3,200	4,100	0	- 900
Fabricated Metals	8,500	8,600	10,000	-100	- 1,500
Fabricated Structural Metals	3,400	3,500	3,800	-100	- 400
Other Fabricated Metals	5,100	5,100	6,200	0	- 1,100
Machinery	14,600	14,600	17,200	0	- 2,600
Electrical Equipment & Supplies	9,300	9,300	10,000	0	- 700
Transportation Equipment	6,800	7,200	8,100	-400	- 1,300
Instruments & Related Products	15,600	15,800	17,300	-200	- 1,700
Miscellaneous Manufacturing	2,200	2,200	2,500	0	- 300
Nondurable Goods	49,300	49,000	49,700	300	- 400
Food & Kindred Products	20,600	20,100	20,500	500	100
Canning & Preserving	10,600	10,200	10,500	400	100
Other Food Products	10,000	9,900	10,000	100	0
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,700	2,700	2,600	0	100
Paper & Allied Products	9,200	9,300	9,800	-100	- 600
Printing & Publishing	10,000	10,100	10,000	-100	0
Chemicals & Allied Products	2,000	2,000	2,100	0	- 100
Petroleum Refining	400	400	400	0	0
Rubber & Plastic Products	2,500	2,500	2,200	0	300
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Feb. 1983	Jan. 1983	Feb. 1982	Change From Jan. 1983	Change From Feb. 1982
(cont.)					
Total Nonmanufacturing	757,100	756,600	772,200	500	-15,100
Mining & Quarrying	1,100	1,000	1,800	100	- 700
Construction	23,400	25,200	27,100	-1,800	- 3,700
Transportation, Communications, & Utilities	55,700	55,500	56,600	200	- 900
Transportation	31,700	31,500	31,300	200	400
Railroad	5,500	5,600	6,200	- 100	- 700
Trucking & Warehousing	16,500	16,100	15,100	400	1,400
Other Transportation	9,700	9,800	10,000	- 100	- 300
Communications	15,100	15,100	16,300	0	- 1,200
Utilities	8,900	8,900	9,000	0	- 100
Trade	232,400	232,600	234,000	- 200	- 1,600
Wholesale Trade	59,000	58,800	62,800	200	- 3,800
Durable Goods	34,900	34,600	38,100	300	- 3,200
Nondurable Goods	24,100	24,200	24,700	- 100	- 600
Retail Trade	173,400	173,800	171,200	- 400	2,200
General Merchandise	24,000	24,800	23,200	- 800	800
Food Stores	27,200	26,900	25,900	300	1,300
Auto Dealers & Service Stations	21,100	21,000	21,000	100	100
Other Retail Trade	101,100	101,100	101,100	0	0
Finance, Insurance, & Real Estate	63,300	63,600	64,700	- 300	- 1,400
Banking & Credit Agencies	23,100	23,300	24,200	- 200	- 1,100
Other Finance, Insurance, & Real Estate	40,200	40,300	40,500	- 100	- 300
Services	183,400	182,700	187,100	700	- 3,700
Hotels & Personal Services	20,800	20,800	23,000	0	- 2,200
Health Services	64,600	64,700	64,700	- 100	- 100
Other Services	98,000	97,200	99,400	800	- 1,400
Government	197,800	196,000	200,900	1,800	- 3,100
Federal Government	28,500	28,800	27,000	- 300	1,500
State Government	53,100	52,400	52,400	700	700
Education	22,900	22,500	22,900	400	0
Other State	30,200	29,900	29,500	300	700
Local Government	116,200	114,800	121,500	1,400	- 5,300
Education	74,600	73,000	77,200	1,600	- 2,600
Other Local	41,600	41,800	44,300	- 200	- 2,700
Labor-Management Disputes	0	0	0	0	0

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Weekly hours for both Primary and Fabricated Metals fell in January (37.4 and 38.4). The 37.4 figure for Primary Metals is the lowest level of weekly hours since January 1980. In addition, production worker employment for metals is down 3,500 from year ago levels. Increasing production costs have played a significant role in the curtailment of production activities especially for energy intensive operations. Resilience in the high tech areas of Machinery also has become a bit tarnished as electronic stalwarts attempt to hold the line in meeting stiff competition at home and abroad. This, coupled with declining orders for heavy equipment have meant a 2,000 drop in production worker employment over the year and an $.08 decrease in hourly earnings in the past month.

Average hourly earnings for Nondurable Goods fell $.10 due to sharp declines in Canning & Preserving, Paper and Allied Products, and Printing & Publishing. The drop in earnings for these areas stemmed from less premium pay following the holiday season. Increased maintenance and repack activity served to boost weekly hours in Canning & Preserving by 1.7.

NONMANUFACTURING

An imposing backlog of unsold homes has hampered the prospects of any real improvement in Oregon's Construction industry. In spite of declining interest rates and an apparent recovery starting in the national housing sector, the results have been all but lost on this State's construction workers. Production worker employment fell almost 1,400 over the month and is now 4,600 below year ago levels. The employment losses far outweigh the small gains made in weekly hours (.5). Continued reductions in nonsupervisory employes (-5,800) following the holiday season were experienced in the Trade work force. Since most of those hires were lower paid temporary workers, their departure served to boost average hourly earnings by $.18. Less business activity also pushed weekly hours downward 1.3. Retail Trade posted a 2.3 loss in weekly hours because of seasonal declines. On a positive note, Wholesale Trade gained .6 in weekly hours as wholesalers of building materials move to fortify inventories in anticipation of more business as the year progresses. The increase in weekly hours for Wholesale Trade was the first such December to January increase since 1969-70.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan.2/ 1983	Dec.3/ 1982	Jan. 1982	Jan.2/ 1983	Dec.3/ 1982	Jan. 1982	Jan.2/ 1983	Dec.3/ 1982	Jan. 1982
TOTAL MANUFACTURING 4/	$392.81	393.40	366.75	38.1	37.9	37.5	10.31	10.38	9.78
Durable Goods	405.69	408.00	372.24	38.6	38.6	37.6	10.51	10.57	9.90
Lumber & Wood Products	420.12	416.62	370.69	38.9	38.9	36.2	10.80	10.71	10.24
Logging & Sawmills	456.11	447.33	396.76	39.8	39.0	36.4	11.46	11.47	10.90
Veneer & Plywood	412.11	419.63	374.17	38.3	39.7	36.9	10.76	10.57	10.14
Millwork & Struct Wood	306.45	308.47	299.27	37.1	37.3	36.1	8.26	8.27	8.29
Mobile Homes	271.17	272.57	244.82	34.9	34.9	33.4	7.77	7.81	7.33
Other Wood Products	400.40	406.11	316.85	38.5	39.2	32.8	10.40	10.36	9.66
Furniture & Fixtures	228.62	232.98	204.43	32.8	33.0	27.7	6.97	7.06	7.38
Primary Metals	479.47	489.16	498.17	37.4	40.9	40.7	12.82	11.96	12.24
Fabricated Metals	388.61	409.36	355.50	38.4	41.1	37.5	10.12	9.96	9.48
Machinery	400.75	399.48	376.46	37.7	37.3	37.2	10.63	10.71	10.12
Nondurable Goods	357.83	357.56	349.11	36.7	36.3	37.1	9.75	9.85	9.41
Food & Kindred Prod	296.01	292.92	309.51	34.5	33.4	36.2	8.58	8.77	8.55
Canning & Preserving	223.25	220.08	249.36	31.4	29.7	34.3	7.11	7.41	7.27
Other Food Products	395.76	408.33	386.61	38.8	39.3	38.7	10.20	10.39	9.99
Textile Mill Products	206.84	208.58	201.83	35.6	35.9	36.3	5.81	5.81	5.56
Apparel	196.54	214.18	180.23	35.8	38.8	34.2	5.49	5.52	5.27
Paper & Allied Products	539.75	551.17	484.10	42.3	42.3	41.2	12.76	13.03	11.75
Printing & Publishing	372.73	387.24	365.39	34.9	35.3	34.7	10.68	10.97	10.53
Construction 4/	525.27	519.17	483.53	31.7	31.2	30.7	16.57	16.64	15.75
Communications & Utilities 5/	447.72	457.41	410.96	39.0	39.5	38.3	11.48	11.58	10.73
Trade 5/	270.91	275.31	269.94	33.2	34.5	33.7	8.16	7.98	8.01
Wholesale Trade	365.63	359.78	371.89	37.5	36.9	38.3	9.75	9.75	9.71
Retail Trade	222.89	233.43	214.97	31.0	33.3	31.2	7.19	7.01	6.89
Banking & Insurance	254.85	252.10	234.45						
State & Local Government	307.39	311.90	293.38						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

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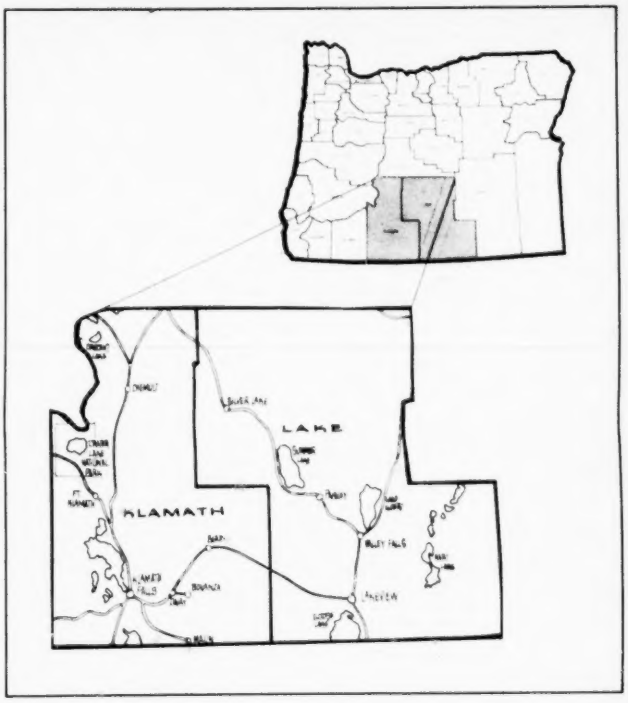
KLAMATH AND LAKE COUNTY PROFILE

Klamath and Lake counties, in south-central Oregon, had a 1982 population of 66,825. In this relatively sparse populated area, 2.5% of Oregon's population occupies 14.9% of the state's total land area. Its major population center, Klamath Falls (1982 pop. = 17,100) has an urban area population of 44,600 according to the 1980 census.

Although Lake County is heavily dependent on the lumber and wood products industry, it has experienced limited effects from the current recession. This is rather surprising considering the area's relative isolation, the small size of local mills, and the stiff competition for available timber in the late 1970s. However, mills in Lakeview and Paisley are the beneficiaries of a rather unique situation. The Lakeview Cutting Circle reserves a certain portion of the Fremont National Forest for local mills. Free from outside competition, bid prices for federal timber have generally remained substantially below those in other areas, affording local mills a competitive advantage during the current recession. The cutting circle concept is a provision of federal law and it is somewhat surprising that other communities economically dependent on lumber and wood products have not attempted to afford themselves the protection of timber resources provided by a cutting circle. Government employment is also a major economic element. Lakeview is the headquarters for the Fremont National Forest, as well as a BLM regional office. Agriculture is the third element in the local economy. Most of the county's land area is given over to livestock grazing, particularly beef cattle. Irrigated land in the vicinity of Lakeview, Paisley and Christmas Valley is largely devoted to hay production plus some grain and seed.

Klamath County is one of Oregon's major timber counties, and the nation's leading producer of Ponderosa pine lumber. Served by three railroads, Klamath Falls is a road and rail transportation center. Government employment is boosted by the presence of Oregon Institute of Technology, the headquarters of Winema National Forest and the National Park Service staff of Crater Lake, Oregon's only national park. The half million annual visitors to Crater Lake, together with those drawn to other county attractions, along with heavy through traffic along U.S. Highway 97, provide a major boost to summer business activity. The Klamath Basin is a major producer of potatoes, hay and grain. Extensize grazing lands support a large beef cattle industry, as well as sheep and dairy products.

In 1980, the combined effects of the slump in the lumber and wood products market and the closure of Kingsley Field constituted a major setback for the local economy. Over the intervening period, construction activity has fallen off, transportation employment declined and the county is experiencing a net out-migration of population. The past year has seen declines in employment in government as well as the local business community.



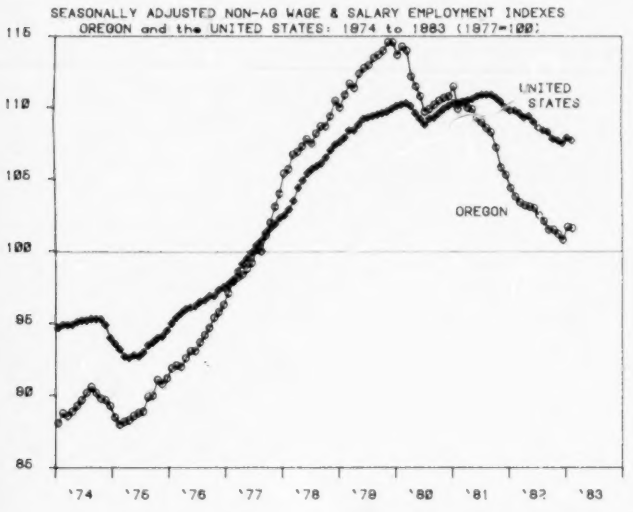
As the period of recession and reduced income in basic industries has lengthened, the number of business failures has risen. Employment in lumber and wood products has risen this winter, and continued recovery is likely this spring. The short-term outlook is for continuing economic problems, but the economy will recover and 1983, hopefully, will see a further lowering of interest rates and a substantial upswing in housing construction. Local efforts to promote industrial diversification have shown promise, particularly in the field of electronics, and a general economic recovery should produce further expansion. The latter half of the 1980s holds promise for substantial economic and population growth in Klamath County.

While lumber and wood products and agriculture will always play a major economic role locally, the prospect for continuing industrial diversification appears highly promising in view of the county's assets. These assets include: lower living costs and resultant lower labor costs than those in major metropolitan areas; a central location in the Pacific coastal region and excellent rail, highway, and air access to major urban centers to the north and south; abundant water, power and land suitable for industrial development; a high degree of liveability with a largely untapped recreation potential; the presence of an educational institution, OIT, geared to technological education; remaining potential for secondary manufacturing related to existing forest and agricultural resources; and an existing urban area of some 45,000 population and a market area of roughly 60,000 persons.□

A GOOD ECONOMIC INDICATOR WITH A LONG NAME

The economic indicator with the cumbersome handle - the Nonagricultural Wage and Salary Employment Index - is shown in the following graph. We present this indicator with each newsletter because it compliments the unemployment rates by showing the direction of Oregon and National employment trends.

Nearly all of Oregon's nonfarm employers regularly report to us their numbers of wage and salary employees on a quarterly basis. Many also send us monthly reports. Because of this wide participation, the nonagricultural wage and salary employment estimates merit a high degree of confidence.



The employment estimates are seasonally adjusted by industry and then the results are aggregated. This allows the numbers to reveal overall trends that otherwise tend to be masked by seasonal fluctuations. For example, Oregon employment has always increased from January to June, even in recessions. If, in the first half of 1983, jobs increase by less than the normal seasonal gain, the seasonally adjusted index will fall; if they increase by more than normal the index will rise.

These seasonally adjusted numbers are converted into an index, so that local, state and national trends can be compared. The math jargon "1977 = 100" means that the numbers are "indexed" by dividing them by the 1977 annual average employment.

In a nutshell, this graph shows that: Oregon's employment rose rapidly from its recovery after the 1975 recession until the end of 1979. It suffered a sharp drop during the first half of 1980 and recovered a bit in the second half. Then it plummeted throughout 1981 and 1982.

The graph shows clearly that our state has lost over 12% of her nonfarm wage and salary jobs in the past three years. For the past few months our employment has been fairly level after a long slide.

The National employment course was similar to Oregon's from 1974 through 1979, though its ascent was not as steep. A downturn occurred in the first half of 1980, but it was followed by a year of shallow recovery in jobs. National employment then fell steadily and fairly slowly from the fall of 1981 through the end of 1982. Like Oregon's employment trend, it may be leveling in the first months of 1983.

The Wage and Salary Employment Index is considered a strong coincident indicator. One may not be very confident that a recovery is in progress until this indicator is moving upward.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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March 1982 Benchmark
March 1983 (Rev.)

OREGON RESIDENT RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1981 1/

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,337.0	1,306.0	1,307.8	1,325.9	1,331.9	1,342.8	1,368.6	1,353.1	1,343.5	1,352.9	1,343.7	1,330.8	1,337.2
UNEMPLOYMENT	132.0	131.1	138.5	134.3	129.6	124.7	128.7	121.5	122.2	120.4	128.9	143.9	160.2
Percent of Labor Force	9.9	10.0	10.6	10.1	9.7	9.3	9.4	9.0	9.1	8.9	9.6	10.8	12.0
Seasonally Adjusted Percent	9.9	8.6	9.3	9.2	9.2	9.2	9.5	9.6	10.0	10.3	10.9	11.2	11.8
TOTAL EMPLOYMENT	1,205.0	1,174.9	1,169.3	1,191.6	1,202.3	1,218.1	1,239.9	1,231.6	1,221.3	1,232.5	1,214.8	1,186.9	1,177.0

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1981 2/ **

TOTAL WAGE AND SALARY	1,018.4	1,020.4	1,007.7	1,020.9	1,023.3	1,029.2	1,038.9	1,017.8	1,019.1	1,033.4	1,020.4	1,001.3	992.3
Wage & Salary Empl. Index (1977=100)	108.8	111.5	109.9	110.4	110.0	109.9	109.3	109.0	108.6	108.3	107.2	105.8	105.3
MANUFACTURING, TOTAL	202.7	203.2	194.8	201.3	201.8	203.2	206.0	211.0	212.6	213.2	204.0	194.0	188.8
Durable Goods	148.4	151.6	143.7	150.4	150.6	151.4	151.7	152.8	152.9	152.0	145.5	139.5	136.2
Lumber & Wood Products	63.8	65.1	65.0	63.9	64.4	65.7	67.1	68.4	67.8	65.8	60.8	56.4	53.6
Logging & Sawmills	33.0	32.8	33.0	32.4	32.4	33.5	34.7	36.5	36.0	34.6	32.4	29.7	27.6
Veneer & Plywood	19.0	20.3	19.9	19.3	20.0	20.1	20.3	19.8	19.4	18.8	17.0	16.2	16.2
Millwork & Structural Wood	6.1	6.6	6.4	6.5	6.2	6.2	6.3	6.3	6.4	6.4	5.7	5.3	4.8
Mobile Homes	1.9	1.7	2.0	2.0	2.1	2.1	2.0	1.9	2.1	2.1	1.9	1.6	1.5
Other Wood Products	3.8	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	3.9	3.8	3.6	3.5
Furniture & Fixtures	2.5	2.4	2.5	2.5	2.6	2.6	2.6	2.4	2.4	2.5	2.5	2.4	2.4
Stone, Clay, Glass & Concrete Prod.	3.9	3.7	3.7	3.8	3.9	3.9	4.0	4.0	4.2	4.2	4.0	3.7	3.4
Primary Metals	10.2	10.6	10.6	10.6	10.3	10.4	10.2	10.1	10.1	10.1	9.9	9.6	9.6
Blast Furnaces, Iron & Steel Found.	5.8	6.2	6.2	6.2	5.9	6.0	5.8	5.7	5.6	5.6	5.5	5.4	5.4
Nonferrous Metals	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.4	4.2	4.2
Fabricated Metals	11.2	11.5	10.9	11.0	10.9	10.8	10.8	11.1	11.4	11.5	11.7	11.2	11.2
Fabricated Structural Metals	4.4	4.5	4.4	4.4	4.3	4.2	4.2	4.3	4.4	4.4	4.4	4.5	4.6
Other Fabricated Metals	6.8	7.0	6.5	6.6	6.6	6.6	6.6	6.8	7.0	7.1	7.3	6.7	6.6
Machinery	18.0	17.5	17.5	17.7	17.7	17.9	18.2	18.7	18.6	18.5	18.1	17.8	17.6
Electrical Equipment & Supplies	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.1	10.3	10.3	9.6	9.6	10.2
Transportation Equipment	8.9	9.7	9.8	9.9	10.0	9.6	7.9	7.5	7.7	8.8	9.0	8.8	8.2
Instruments & Related Products	17.4	18.8	11.4	18.7	18.4	18.1	18.4	17.9	17.8	17.7	17.3	17.3	17.2
Miscellaneous Manufacturing	2.5	2.3	2.3	2.3	2.4	2.4	2.5	2.6	2.6	2.6	2.6	2.7	2.8
Nondurable Goods	54.3	51.6	51.1	50.9	51.2	51.8	54.3	58.2	59.7	61.2	58.5	54.5	52.6
Food & Kindred Products	23.8	21.2	21.1	20.4	20.7	20.9	23.1	26.9	28.4	29.9	27.9	23.9	22.1
Canning and Preserving	13.4	11.0	11.0	10.5	10.7	10.8	12.7	16.3	17.6	19.1	16.9	13.1	11.4
Other Food Products	10.4	10.2	10.1	9.9	10.0	10.1	10.4	10.6	10.8	10.8	11.0	10.8	10.7
Textile Mill Products	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.8	1.9	1.9
Apparel	2.8	2.7	2.7	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.7
Paper & Allied Products	10.3	10.2	10.1	10.2	10.2	10.3	10.6	10.7	10.5	10.5	10.2	10.2	10.1
Printing & Publishing	10.2	10.1	10.0	10.1	10.2	10.3	10.3	10.3	10.4	10.4	10.3	10.3	10.4
Chemicals & Allied Products	2.2	2.2	2.2	2.3	2.2	2.3	2.3	2.3	2.3	2.2	2.3	2.2	2.2
Petroleum Refining	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Rubber & Plastic Products	2.4	2.4	2.3	2.4	2.4	2.5	2.5	2.5	2.5	2.6	2.4	2.4	2.4
Leather Products	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3

1981 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	815.7	817.2	812.9	819.6	821.5	826.0	832.9	806.8	806.5	820.2	816.4	807.3	803.5
Mining & Quarrying	2.2	1.9	1.9	2.0	2.0	2.1	2.2	2.5	2.6	2.5	2.3	2.1	1.9
Construction	37.5	38.6	36.7	37.2	36.4	37.9	39.0	40.5	39.6	39.2	38.1	35.0	32.4
Transp., Comm. & Utilities	59.3	59.5	59.0	58.9	59.1	59.2	60.3	60.0	60.2	60.7	59.4	58.9	58.3
Transportation	34.1	34.4	33.9	33.9	34.0	34.1	35.0	34.6	34.7	35.1	34.1	33.6	32.9
Railroad	6.9	7.1	7.0	7.0	7.1	7.1	7.1	7.1	7.0	6.9	6.7	6.6	6.5
Trucking & Warehousing	16.8	16.7	16.5	16.4	16.3	16.5	17.3	17.3	17.5	17.5	17.2	16.8	16.3
Other Transportation	10.4	10.6	10.4	10.5	10.6	10.5	10.6	10.2	10.2	10.7	10.2	10.2	10.1
Communications	16.1	16.1	16.1	15.9	16.1	16.1	16.1	16.1	16.2	16.4	16.2	16.2	16.3
Utilities	9.1	9.0	9.0	9.1	9.0	9.0	9.2	9.3	9.3	9.2	9.1	9.1	9.1
Trade	253.5	253.6	247.0	250.1	252.3	254.1	256.4	255.4	256.9	258.9	252.0	251.4	252.2
Wholesale Trade	67.0	66.7	66.2	66.5	66.2	66.5	67.1	67.4	68.1	69.3	67.7	66.2	65.3
Durable Goods	40.9	41.2	41.1	41.2	41.1	41.3	41.6	41.4	41.2	40.9	40.2	39.7	39.3
Nondurable Goods	26.1	25.5	25.1	25.3	25.1	25.2	25.5	26.0	26.9	28.4	27.5	26.5	26.0
Retail Trade	186.5	186.9	180.8	183.6	186.1	187.6	189.3	188.0	188.8	189.6	184.3	185.2	186.9
General Merchandise	24.9	25.7	24.5	24.4	24.4	24.4	24.4	24.7	24.8	24.7	24.4	25.3	26.9
Food Stores	26.9	26.0	25.9	26.1	26.3	26.5	26.9	27.4	27.7	28.0	27.0	27.3	27.4
Auto Dealers & Services Stations	22.8	22.7	22.4	22.6	23.1	23.1	23.4	23.4	23.4	23.2	22.6	22.1	21.6
Other Retail Trade	111.9	112.5	108.0	110.5	112.3	113.6	114.6	112.5	112.9	113.7	110.3	110.5	111.0
Finance Ins. & Real Estate	68.5	68.5	68.6	69.0	68.7	69.0	69.5	69.5	69.2	68.8	67.8	67.0	66.8
Banking & Credit Agencies	25.1	25.2	25.2	25.3	25.3	25.3	25.3	25.4	25.4	25.3	24.9	24.7	24.7
Other Finance Ins. & Real Estate	43.4	43.3	43.4	43.7	43.4	43.7	44.2	44.1	43.8	43.5	42.9	42.3	42.1
Services	192.1	189.5	191.7	193.6	193.9	193.3	194.4	193.6	192.9	193.8	191.1	189.2	189.7
Hotels & Personal Services	24.3	23.8	24.0	24.4	24.9	24.4	25.1	25.1	25.5	25.2	24.1	23.0	22.7
Health Services	64.5	63.1	63.4	63.6	63.7	64.0	64.4	65.1	65.3	65.6	65.5	65.5	65.5
Other Services	103.3	102.6	104.3	105.6	105.3	104.9	104.9	103.4	102.1	103.0	101.5	100.7	101.5
Government	202.6	205.6	208.0	208.8	209.1	210.4	211.1	185.3	185.1	196.3	205.7	203.7	202.2
Federal	29.5	28.4	28.2	28.2	28.9	29.6	30.3	31.7	31.6	30.7	29.5	28.9	28.4
State Government	53.1	54.6	55.2	55.7	54.8	54.6	55.3	50.2	50.5	49.9	53.5	51.1	51.7
Education	22.5	23.6	24.0	24.1	23.6	23.5	24.0	19.4	19.2	19.0	23.1	23.4	22.7
Other State	30.6	31.0	31.2	31.6	31.2	31.1	31.3	30.8	31.3	30.9	30.4	27.7	29.0
Local Government	120.0	122.6	124.6	124.9	125.4	126.2	125.5	103.4	103.0	115.7	122.7	123.7	122.1
Education	73.5	76.5	78.5	78.7	78.8	79.5	77.6	55.7	55.1	68.9	77.4	78.5	77.2
Other Local	46.5	46.1	46.1	46.2	46.6	46.7	47.9	47.7	47.9	46.8	45.3	45.2	44.9
LABOR-MANAGEMENT DISPUTES	0.3	.1	.6	.5	.3	.2	.3	.3	.5	.5	.1	.1	.1

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

3/ Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

Contains Recycled Materials

tate of Oregon
MPLOYMENT DIVISION
epartment of Human Resources

Research and Statistics
March 1982 Benchmark
March 1983 (Rev.)

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1982 1/

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
IVILIAN LABOR FORCE	1,316.0	1,297.8	1,304.5	1,314.1	1,318.2	1,330.0	1,352.0	1,330.8	1,317.9	1,318.3	1,308.7	1,304.5	1,295.3
UNEMPLOYMENT	152.0	164.2	168.0	167.1	161.7	155.9	150.9	142.8	141.0	135.3	135.0	149.1	153.1
Percent of Labor Force 4/	11.5	12.7	12.9	12.7	12.3	11.7	11.2	10.7	10.7	10.3	10.3	11.4	11.8
Seasonally Adjusted Percent		11.0	11.4	11.7	11.6	11.7	11.3	11.4	11.7	11.8	11.6	11.9	11.6
TOTAL EMPLOYMENT	1,164.0	1,133.6	1,136.5	1,147.0	1,156.5	1,174.1	1,201.1	1,188.0	1,176.9	1,183.0	1,173.7	1,155.4	1,142.2

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1982 2/ **

OTAL WAGE AND SALARY	960.8	956.6	953.8	956.8	960.0	965.8	978.5	956.9	957.5	967.7	966.6	957.6	950.2
Wage & Salary Empl. Index (1977=100) 3/	102.6	104.4	103.8	103.4	103.2	103.1	103.0	102.5	102.1	101.5	101.5	101.2	100.8
MANUFACTURING, TOTAL	185.6	181.7	181.6	181.3	180.9	182.8	186.3	190.4	193.6	194.4	190.0	184.2	180.0
Durable Goods	132.4	131.8	131.9	132.1	131.8	133.0	134.6	134.2	134.5	134.7	131.9	129.8	128.6
Lumber & Wood Products	55.5	51.7	52.4	52.4	53.2	54.8	57.4	57.1	58.1	58.3	57.2	57.3	56.3
Logging & Sawmills	28.8	25.9	26.8	26.7	27.2	28.3	30.1	30.9	30.8	31.0	29.9	29.4	28.4
Veneer & Plywood	16.8	16.2	16.1	16.1	16.2	16.6	17.2	16.5	17.2	17.2	17.3	17.5	17.8
Millwork & Structural Wood	5.3	5.0	4.9	4.9	5.1	5.3	5.4	5.3	5.5	5.5	5.3	5.7	5.6
Mobile Homes	1.4	1.3	1.4	1.4	1.4	1.3	1.3	1.4	1.5	1.4	1.5	1.5	1.4
Other Wood Products	3.2	3.3	3.2	3.3	3.3	3.3	3.4	3.0	3.1	3.2	3.2	3.2	3.1
Furniture & Fixtures	2.4	2.2	2.1	2.2	2.2	2.2	2.3	2.3	2.4	2.6	2.7	2.7	2.5
Stone, Clay, Glass & Concrete Prod.	3.4	3.1	3.1	3.2	3.3	3.5	3.6	3.6	3.6	3.6	3.5	3.3	3.0
Primary Metals	8.0	9.2	9.2	9.1	8.8	8.4	8.0	7.9	7.5	7.5	7.0	6.9	7.0
Blast Furnaces, Iron & Steel Found.	4.4	5.1	5.1	5.1	4.8	4.6	4.2	4.2	4.1	4.1	3.9	3.9	3.9
Nonferrous Metals	3.6	4.1	4.1	4.0	4.0	3.8	3.8	3.7	3.4	3.4	3.1	3.0	3.1
Fabricated Metals	9.4	10.4	10.0	10.0	9.6	9.4	9.5	9.1	9.2	9.3	9.0	8.8	8.9
Fabricated Structural Metals	3.7	4.1	3.8	3.8	3.6	3.5	3.7	3.7	3.7	3.8	3.7	3.6	3.7
Other Fabricated Metals	5.7	6.3	6.2	6.2	6.0	5.9	5.8	5.4	5.5	5.5	5.3	5.2	5.2
Machinery	16.5	17.4	17.2	17.3	17.2	16.9	16.9	16.5	16.5	16.1	15.8	15.5	15.1
Electrical Equipment & Supplies	10.0	10.0	10.0	10.0	10.1	10.1	10.1	10.2	10.1	10.0	10.0	9.5	9.4
Transportation Equipment	8.0	8.1	8.1	8.1	8.0	8.4	7.5	8.0	7.7	8.2	8.0	7.4	8.2
Instruments & Related Products	16.8	17.2	17.3	17.3	16.9	16.9	16.9	17.0	17.0	16.7	16.3	16.0	15.9
Miscellaneous Manufacturing	2.4	2.5	2.5	2.5	2.5	2.4	2.4	2.5	2.4	2.4	2.4	2.4	2.3
Nondurable Goods	53.2	49.9	49.7	49.2	49.1	49.8	51.7	56.2	59.1	59.7	58.1	54.4	51.4
Food & Kindred Products	23.7	20.3	20.5	19.7	19.7	20.2	21.8	27.1	29.3	30.5	28.6	25.3	22.2
Canning and Preserving	13.5	10.1	10.5	9.8	9.9	10.1	11.5	16.6	19.1	20.1	18.0	14.8	11.9
Other Food Products	10.2	10.2	10.0	9.9	9.8	10.1	10.3	10.5	10.2	10.4	10.6	10.5	10.3
Textile Mill Products	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.6	1.8	1.8	1.8	1.7	1.8
Apparel	2.7	2.7	2.6	2.6	2.7	2.8	2.8	2.4	2.8	2.7	2.7	2.6	2.6
Paper & Allied Products	9.7	10.0	9.8	9.8	9.7	9.7	9.8	9.6	9.8	9.4	9.5	9.4	9.5
Printing & Publishing	10.1	10.1	10.0	10.1	10.0	10.0	10.1	10.1	10.1	10.1	10.3	10.2	10.1
Chemicals & Allied Products	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.1
Petroleum Refining	0.5	.5	.4	.4	.4	.4	.5	.5	.5	.5	.5	.5	.4
Rubber & Plastic Products	2.3	2.2	2.2	2.3	2.3	2.4	2.4	2.4	2.4	2.3	2.3	2.4	2.4
Leather Products	0.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3

982 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NMANUFACTURING, TOTAL	775.2	774.9	772.2	775.5	779.1	783.0	792.2	766.5	763.9	773.3	776.6	773.4	770.2
lining & Quarrying	1.8	1.8	1.8	1.8	1.7	1.9	1.9	1.9	2.1	2.1	1.9	1.5	1.2
Construction	29.6	27.3	27.1	27.3	27.7	29.5	31.8	32.4	32.5	33.2	30.6	29.0	26.4
Transp., Comm. & Utilities	56.7	56.8	56.6	56.3	56.4	56.7	57.2	57.1	56.8	56.9	56.9	56.6	56.7
Transportation	31.8	31.6	31.3	31.2	31.4	31.7	32.2	32.1	31.9	32.1	32.3	32.1	32.3
Railroad	6.1	6.3	6.2	6.2	6.3	6.3	6.2	6.1	6.0	5.9	5.9	5.8	5.7
Trucking & Warehousing	15.9	15.2	15.1	15.1	15.2	15.5	16.2	16.4	16.5	16.4	16.5	16.3	16.7
Other Transportation	9.8	10.1	10.0	9.9	9.9	9.9	9.8	9.6	9.4	9.8	9.9	10.0	9.9
Communications	15.9	16.2	16.3	16.1	16.0	16.0	16.0	15.9	15.9	15.8	15.7	15.6	15.4
Utilities	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.1	9.0	9.0	8.9	8.9	9.0
Trade	238.9	238.0	234.0	234.9	235.4	237.3	240.6	241.5	241.8	241.7	239.3	240.3	242.1
Wholesale Trade	62.0	63.3	62.8	62.5	62.8	62.3	62.6	62.6	62.3	61.8	60.9	60.2	59.5
Durable Goods	36.9	38.4	38.1	37.9	37.8	37.4	37.4	36.9	36.6	36.1	35.6	35.4	35.0
Nondurable Goods	25.1	24.9	24.7	24.6	25.0	24.9	25.2	25.7	25.7	25.7	25.3	24.8	24.5
Retail Trade	176.9	174.7	171.2	172.4	172.6	175.0	178.0	178.9	179.5	179.9	178.4	180.1	182.6
General Merchandise	23.9	24.7	23.2	22.9	23.0	22.8	23.1	23.5	23.6	23.4	24.0	25.4	27.1
Food Stores	26.6	26.1	25.9	25.8	25.6	26.1	26.7	27.5	27.1	26.9	26.7	27.0	27.8
Auto Dealers & Services Stations	21.4	21.1	21.0	21.2	21.5	21.7	21.8	21.6	21.6	21.5	21.4	21.4	21.1
Other Retail Trade	105.0	102.8	101.1	102.5	102.5	104.4	106.4	106.3	107.2	108.2	106.3	106.3	106.6
Finance Ins. & Real Estate	65.0	65.3	64.7	65.1	65.7	65.5	65.8	65.8	65.4	64.5	64.2	63.9	63.8
Banking & Credit Agencies	23.8	24.4	24.2	24.1	24.2	24.0	23.9	23.8	23.7	23.5	23.3	23.3	23.3
Other Finance Ins. & Real Estate	41.2	40.9	40.5	41.0	41.5	41.5	41.9	42.0	41.7	41.0	40.9	40.6	40.5
Services	187.5	186.1	187.1	188.6	189.5	188.6	190.2	188.3	187.7	187.8	186.9	184.5	184.4
Hotels & Personal Services	22.6	22.8	23.0	23.2	23.4	23.3	23.5	23.1	22.9	22.6	21.8	21.1	21.1
Health Services	65.3	64.7	64.7	64.8	65.2	65.3	65.8	65.6	66.1	65.6	65.3	65.1	64.9
Other Services	99.6	98.6	99.4	100.6	100.9	100.0	100.9	99.6	98.7	99.6	99.8	98.3	98.4
Government	195.7	199.6	200.9	201.5	202.7	203.5	204.7	179.5	177.6	187.1	196.8	197.6	195.6
Federal	29.0	27.4	27.0	27.2	28.6	29.4	30.5	30.5	30.3	30.0	29.2	28.7	28.9
State Government	51.1	51.5	52.4	52.5	51.9	52.0	52.5	48.1	48.4	48.6	51.9	51.8	50.5
Education	21.5	22.5	22.9	23.1	22.6	22.6	22.6	18.0	17.6	18.0	22.6	22.8	22.2
Other State	29.6	29.0	29.5	29.4	29.3	29.4	29.9	30.1	30.8	30.6	29.3	29.0	28.3
Local Government	115.6	120.7	121.5	121.8	122.2	122.1	121.7	100.9	98.9	108.5	115.7	117.1	116.2
Education	70.3	76.7	77.2	77.4	77.5	77.1	75.4	53.8	52.5	63.8	72.2	73.6	72.7
Other Local	44.8	44.0	44.3	44.4	44.7	45.0	46.3	47.1	46.4	44.7	43.5	43.5	43.5
BOR-MANAGEMENT DISPUTES	0.1	.1	.0	.0	.1	.3	.5	.1	.1	.0	.1	.1	.0

Data are in thousands

Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

This figure based on unrounded data.

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